Political reformism and leadership performance in closed systems: The cases of Deng and Gorbachev in comparative perspective

A thesis presented

by

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ABSTRACT

Focusing on the exercise of power of individual leaders in the context of examining institutional change is typically understood by social scientists as a way of highlighting the obvious and the idiosyncratic. That is to say, such an approach should be avoided because it combines the worst of both worlds. This research will argue that the potentialities of the approach remain misunderstood. Focusing on what leaders do, and how they do it, is not only about revealing complexities and regularities, but it also brings out certain realities of institutional change which hitherto have eluded the more conventional approaches to agency and institutional change. What eludes mainstream social science (and what the study of individual leaders brings in focus) is the following: political leaders try to organise change; and some perform better than others in that role.

This argument is developed empirically by considering the reformist projects in China and the Soviet Union. The analysis of the cases is narrow in focus as its intent is specific. First, this research focuses on the dynamics of interaction between the leaders and the policies of change. In each case, it explores the linkages between the exercise of power at the centre and the coherence and cohesiveness of the reformist policies. It also considers the interdependencies between the policies' performance and the leaders' performance in each case. The purpose is to show how such an approach can lead to a distinctive and dynamic, though incomplete, account of the reforms in China and the Soviet Union.

This research also examines Deng's and Gorbachev's efforts to control and manipulate the influence of history and bureaucracy over the policy processes. The underlying assumption here is that 'bureaucracy' and 'history' create certain strategic situations for the reformer that preserve integrity across various cultural, historical and institutional arrangements and that the two leaders of interest here have rationalized those situations in opposite ways. By analysing those situations, the choices of the two leaders and the contingencies that have arisen from their choices, this research will take the analysis of the reforms in China and the Soviet Union outside the idiosyncrasies of socialist systems. In doing so, it will challenge the assertion that focusing on a leader's choices is about dealing with somewhat important but idiosyncratic aspects of institutional change processes.

In terms of theory, this study borrows some key concepts that new institutional approaches use in order to analyse institutional change. At the same time, it preserves some of the characteristic features of ‘leadership approaches’ in that it considers leadership, first and foremost, as being something which structures change. So, for instance, this study considers institutional change processes as being driven by the ‘logic of appropriateness’ and the ‘logic of instrumentality’, while also remaining attentive to the way in which leaders can manipulate those logics in order to appear stronger or weaker.

In terms of methodology, this study adopts the ‘paired comparison strategy’. Given the explorative nature of this study, the number of cases investigated, as well as the intention to examine the reforms in China and the Soviet Union at a more general level, the paired comparison seemed to be the most appropriate vehicle.

Concerning the choice of cases, it has been made with the awareness that social scientists have over-analysed the reforms in China and the Soviet Union. The reasoning here is simple enough: if leadership as an analytical tool offers some innate advantages that are poorly understood, and if the role of individual leaders in institutional change is indeed misrepresented in the more theory-informed accounts within political science, and if something is indeed lost by doing so, then dealing with some of the most popular and most frequently compared historical cases within the discipline seems to be a good research strategy to make such realities visible.

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INTRODUCTION

The interest in political leaders within the social sciences, broadly speaking, comes in two strands. The first concerns devising plausible answers to questions such as ‘How can we organize political institutions so that bad or incompetent rulers can be prevented from doing too much damage?’(Popper 1966:120-1; see Linz 1990; also Elgie 2014) or detecting the actual constraints that leaders face in their role as policymakers (e.g. the principle-agents approach, see Fiorina and Shepsle 1989; also Shepsle and Humes 1984). The leaders’ behaviour is treated as a dependent variable in such accounts. At the other end of the spectrum, the emphasis is upon leaders and leadership as a social problem-solving enterprise. Here, the interest lies in questions such as ‘What aspects of politics are affected by the behaviour of leaders?’ (Paige 1978), ‘How leaders’ choices create institutional legacy?’ (see Samuels 2003; Grindle 2000), and ‘How leaders organize reforms and/or infuse new organizations with value and stability?’ (Selznick 1957; Huntington 1968).

Within the latter camp, there is this longstanding contention that the roles and functions of leaders during periods of change are important but neglected, which is periodically interrupted by bursts of optimism. Recently, that optimism has been renewed**: ‘**The central importance of leaders and leadership for politics and society has finally come to be acknowledged by political science’, claims Helms (2012:2). In the same vein, Rhodes and ‘t Hart (2014:17) write: ‘Recently…students of politics have returned to studying the role of individual leaders and the exercise of leadership to explain political outcomes’. These are premature celebrations based on ignoring the fact that the term ‘leadership’ has been replaced by the term ‘entrepreneurship’ in mainstream political science and forgetting the intricacies of the complaint that leadership (or the study of leaders) is important but neglected.

In reality, few serious social scientists would directly deny the importance of leaders on the political scene; what is in fact being contested is the utility of studies that focus on the choices and the exercise of power of individual leaders while analysing institutional change. If we discern the latter from the former, what remains is the inability of ‘leadership approaches’ to say something that might interest other social scientists, or an inability to express it in a language that resonates with the prevailing paradigm in the social sciences.

The leader is not neglected by mainstream political science but is, more likely, misrepresented. In some of the mainstream institutionalist analysis, under the umbrella of the concept ‘entrepreneurship’, the leader appears as a figure who exploits institutional ambiguity (or lends support to those who do so) for the sake of change (for more on the entrepreneurship models of agency see Kingdon 1984, also Di Maggio 1989, Shenigate 2007). In the ‘critical juncture approach’ to change, the leader appears, for a moment, after the exogenous shocks, and before the self-reinforcing mechanism kick-in, in order to make a choice and add a degree of randomness to historical change (see Mahoney 2000; Pierson 2000, 2003; Collier and Collier 1991).[1]

How exactly critical juncture and entrepreneurial models misrepresent the leader is beyond the scope of this inquiry. What is more important for our purposes here is that these two theories are products of (and reflect) the interest among social scientists in 1) refining the well-established theories of institutional change and 2) accommodating choice and ideas into the explanations of institutional change. The study of individual leaders can also relate to such themes.[2]

At this point, it would be useful to note that the study of individual leaders is understood here as a *study of the leaders’ efforts to control change processes*. Such a study is not defined solely by its unit of interest (i.e., the conduct of the individual leaders) but entails a set of distinctive presuppositions about social reality. Students of leaders share the belief 1) that social reality is complex (and diverse) enough so that the tools devised to capture one problem fare poorly when applied to another and 2) that the political leader should be treated separately from other forms of agency. In the context of institutional change, such studies take into account the following: that leader try to bring order to the potentially chaotic processes of institutional change and that their end goal is to restore stability. From this perspective, political leaders are not interested in change for the sake of change, nor do they necessarily add only randomness to such processes (we will return to this issue in Chapter 1).

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[1] Neither the entrepreneurship nor the critical juncture theories are devised specifically to accommodate the conduct of the political leader within the study of institutional change. The former is about drawing linkages between ideas and policies in a more concrete manner; the latter tackles ‘the infinite regress problem’ that prevails in historical institutionalism.

[2]

My intuition is that refining theories that seek to explain institutional change and making the study of individual leaders more relevant are complementary issues**.** Refining theories is also about understanding their *limitations*. Dealing with limitations is arguably a much needed exercise in relation to the mainstream models and metaphors of institutional change, if Selznick (1992:277) is correct when stating that new institutionalists display the 'disposition to overlook, for the sake of the paradigm, the limited, partial, highly contingent nature of the truths discovered'. Studies of individual leaders can bring into the open some of those limitations. First, this is because the phenomenon that they focus upon is concrete and almost ubiquitous during periods of significant institutional change (speeches and actions of political leaders typically contain useful information about many diverse components of institutional change), and secondly because they do not internalise the fundamental assumptions of mainstream institutionalist theories/approaches on agency. (In order to explore the limitations of something, in my view, you should not stand on its shoulders.) The study of individual leaders relates more constructively to the second issue – i.e. bringing ideas and choices into the analysis of change. Assuming that the study of the importance of ideas and choices in politics cannot be disentangled from the study of the exercise of power, the study of what powerful individuals do and how they do it can be a straightforward way to accommodate ideas and choices into our analysis of change. These ideas about the potentialities of the studies of individual leaders will be explored and developed in this research; although not in the abstract.

This study is driven by the idea that we can say something general more effectively by saying something particular. As such, it develops its arguments about the study of individual leaders by examining Deng's era and Gorbachev's era reforms.

The plan is straightforward. This research takes the most basic understanding of leadership – i.e. leadership is what individual leaders do and how they do it – and the basic tools of institutional analysis – i.e. it recognises the 'logic of appropriateness' and the 'logic of instrumentality' as being the two forces which shape actors behaviour and 'shifts in policy paradigms' and 'institutionalisation' as key drivers of institutional change processes – and, by combining them, it explores three strategic conjectures on the cases level. The tensions between the leaders and bureaucracies; the leaders' efforts, both deliberate and habitual, to build both positive and negative relationships with history; and the constant interactions between leaders and policies of change.

By focusing on those interactions, this research takes the analysis of Deng's era and Gorbachev's era reforms outside the usual templates. That is to say, this is not one more study that will highlight the role of the entrenched Soviet (state) bureaucracy and of the not-that-entrenched Chinese bureaucracy in shaping the variability in outcomes across the two cases, juxtapose the radical nature of the Soviet political reforms vs the incrementalism of the Chinese (economic) reforms, or show how Deng, as an economic reformer, 'stumbled upon successes' (whereas Gorbachev's efforts to emulate the success of his neighbour were futile). Instead, this study is about systematically exposing the intrinsic weaknesses of those templates.

The purpose of doing so is not to say something particularly new about the reforms in China and the Soviet Union, but to use the cases as 'lenses' to explore*: 1) how, by focusing on the conduct of individual leaders, we can acquire a distinctive perspective on institutional change processes but without reducing them to their most external or idiosyncratic features; and 2) how the role of leaders during periods of change is misrepresented in the discipline-based approaches to institutional change.*

The decision to use the two historical cases as heuristic devices poses some obvious problems, such as how feasible it is to deal with a general problem – i.e., exploring the usefulness of the leadership approach – via settings as peculiar as socialist systems? This is a smaller issue than it might appear at first. The volume and quality of available information and the trends in interpretations of Deng's era and Gorbachev's era reforms offer unique advantages for the purposes of this research. The rationale behind the choice of cases is elaborated in Chapters 1 and 3.

This research is organised as follows. Chapter 1 considers what it means to use leaders and leadership as lenses for studying institutional change; subsequently, it brings forth the two prevailing assumptions about 'the leadership approach' within the discipline. Next, it elaborates how this research intends to contest those assumptions; and, last of all, it deals with the rationale of using the Deng's era and Gorbachev's era reforms for such purposes. This introductory chapter says very little about leadership and institutional change as phenomena; it focuses instead upon the tools that we use for analysing those phenomena.

Chapter 2 gives a theoretical overview of *deliberate efforts* to induce significant institutional changes and the role and functions that leaders acquire in relation to such projects. According to Sartori (1984: 74) ‘ we have a concept of A (or of A-ness) when we are able to distinguish A from whatever is not-A’. Such logic informs the theoretical work in this chapter. The focus is on how deliberate efforts to induce significant institutional changes differ from other types of change and on how it makes sense to consider leadership as an order-creating phenomenon in relation to them. The chapter also outlines some basic presuppositions on structure and agency that inform this inquiry

Chapter 3 introduces the methodology and analytical categories that guide the subsequent empirical analysis of Deng’s era and Gorbachev’s era reforms. It considers the nature of explorative studies, the two typical ways to conduct such studies – i.e. ‘the case study’ and the ‘paired comparison’– and this research preference for the latter of the two. With reference to the reforms of interest, it explains the limited focus of this empirical analysis, the nomothetic nature of the key research arguments developed via the cases, and the appropriateness of using secondary sources for the purposes of this inquiry of Deng’s era and Gorbachev’s era reforms.

Chapter 4 is descriptive and divided into two parts. The first part overviews the concrete historical, political circumstances that this research uses in order to systematically explore linkages between leaders and institutional change processes. The focus is on similarities and differences of China and the Soviet Union at the onset of reforms. With reference to similarities, it considers some basic features of the ‘socialist system’ and ‘reform communism’ in order to identify the similar challenges that confronted Deng and Gorbachev. With reference to differences, it considers ethnic composition, international relations, and different pre-reform histories of China and the Soviet Union and evaluates their relevance for the purposes of this research. In this context, the trend to code those variances as ‘advantages’ for the Chinese reformers and ‘disadvantages’ for the Soviet reformers is also considered. The second part shifts the focus from conditions to processes, while remaining predominantly descriptive. The purpose is to identify Deng’s era and Gorbachev’s era reforms *representative examples* of significant institutional change, that is, to show that constructs that indicate extraordinariness – such as, shifts in policy paradigms, decisive policy interventions, and extensive policy activity – describe well some aspects of those processes. Also, to suggest that the relationship between leadership and those processes was equally intensive in both cases.

Chapters 5 and 6 comprise *within-case analysis*, each of which deals with one of the cases. Analytically, the focus is upon the interactions between the leaders and the policies of change. **‘**Shifts in policy paradigms’ and ‘institutionalisation’ processes are used as key conceptual categories. Within those analytical and conceptual frames, each chapter will expand upon the claim that ‘the leadership approach’ gives us a distinctive perspective on the processes of institutional change. Chapter 5 looks beyond the much-lauded spontaneity of the change processes and the sterility of the policy decisions during Deng’s era reforms. The chapter on Gorbachev explains why reducing Gorbachev’s pre-1987 reform initiatives to a deconstruction of the totalitarian discourse (or consolidation of power) is problematic, while also specifying the ways in which the pre-1987 and post-1987 Soviet reform initiatives were intimately related.

Whereas the analysis in Chapters 5 and 6 is conducted by asking the same set of (general) questions in each case, Chapter 7 engages in a side-by-side comparison. [3]

Chapter 7 describes in general terms the contingencies that history and bureaucracy create for the reformer and considers the different strategic choices taken by Deng and Gorbachev, while also trying to manipulate those forces. The claim that those forces of history and bureaucracy are too big to be affected dramatically by individual action is taken into consideration. However, the cross-case analysis also takes into account the following**:**

1) history and bureaucracy were issues that demanded Deng and Gorbachev’s constant attention;
2) each leader tried to manipulate such forces differently from the other;
3) those contrasting efforts can be matched with correspondingly different contingencies on the policy plane.

The broader aim of Chapter 7 is to show that leadership allows us to consider processes of institutional change in China and the Soviet Union in their generality while also exploring what we can gain by considering the causal link that runs from leaders’ choices to those grand forces of history and bureaucracy.

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[3] This research tries to practice the maxim that the problem should determine the method hence the shift in method in Chapter 7. Chapters 5 and 6 deal with interactions between leaders and polices. The former task requires more context; the latter, is less context dependent.

The cross-case analysis is followed by the research conclusions – they are both theoretical and empirical. According to Sidney Tarrow (2010: 248), paired comparison studies (as this study identifies itself) are prone to producing doubly useful observations (i.e. observations that help us to better understand the reality being investigated and improve our conceptualisations of that reality). Following that idea, the last chapter (Chapter 8) answers the questions: What have we learned about the change processes in China and the Soviet Union through leadership? What have we learned about leadership through those change processes?

CHAPTER 1

Leadership and the study of institutional change: formulating a problem

1.1 Introduction

The political leader can be brought into the analysis of institutional change in two distinctive ways. Either we recognise leadership as being something that structures change, or we treat leaders' behaviour as an extension of the particular political context and/or institutional constellations in which it is found. The purpose of this chapter is to show 1) that asking which of the two approaches is more useful (i.e. gives a better approximation or better insights on the relationship between leaders and reforms) can be a valid exercise and 2) that Deng's era reforms and Gorbachev's era reforms are appropriate vehicles for exploring such questions. In the process, this chapter also brings to attention a theoretical problem which pervades the analysis of the role of leaders in institutional change but is seldom, if ever, acknowledged or explicitly formulated (see 'Conclusion' to this chapter). The themes covered below are inherently contentious (e.g., the role of choice and agency in the analysis of institutional change) and the positions this research takes are somewhat controversial. Namely, the claim that social science now recognises agency as both structured and structuring phenomenon is disputed here. Before getting there, let us introduce one basic and relatively uncontroversial claim*: the study of the individual leaders – that is, the study of the exercise of power and choices that leaders make – entails a distinctive perspective on institutional change.*

1.2. The logic of examining institutional changes from a leadership perspective: what is so distinctive about it?

> Whichever story political scientists want to tell, it will be a story about institutions.
> Rothstein (1996: 134–5)

> Choices are made and do have institutional legacy … Choice is what leaders do.
> Samuels (2003: 15-17)

While the leadership approach to change is seldom theorised,[4] empirical studies that focus on the relationship between individual leaders and institutional change tend to move along specific parameters from which we can extract the logic of such an approach, identify how distinctive this logic is, and consider its utility.

If everything in contemporary political science is some kind of institutional story, then leadership has to be a story about institutional change. If we follow Goodin's taxonomy (1996: 25), which states that institutional change can occur by accident, by evolution, or by intention or design, then leadership most commonly (and logically) refers to the third mode of change. As Samuels (2003: 5) notes, 'change need not be accidental or compelled by great forces', while promoting leadership as something that operates outside those forces. Blondel (1987:25), when defining political leadership in terms of 'action designed to modify the environment' places leaders and leadership in a similar template. Huntington (1968: 351) when speaking of reforms as being processes driven by a 'conscious strategy' also ascribes a similar role and function to leadership. Selznik (1957), to my knowledge, was the first social scientist to consider leadership in terms of designs of (institutional) change; he identified the task of the leader as being 'the reworking of human and technological materials to fashion an organism that embodies new and enduring values' (1957: 152). 'Strategy', 'control', or 'design': while the specific terminology may differ across such accounts, their overarching theme is that leaders' acts and actions carry certain structuring properties in relation to the processes of institutional change.

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[4] I do not wish to suggest here that there is an absence of theories that deal with the question 'What is leadership?' but this is a different topic.

This is not to deny the fact that leaders are accident-prone – leaders often exercise power in areas that are beyond their expertise, and this often leads to unintended consequences – but to emphasise that leaders have that distinctive responsibility to bring some order to the processes of institutional change. Although leaders themselves do not engage directly in institutional designs or redesigns, they have the right and duty to appoint the institutional architects (or, what Grindle (2000) calls 'design teams') and define the broader ideational and material conditions within which those institutional architects will operate.

The claim that the study of individual leaders deal with designs of change says little by itself, given that most mainstream approaches within the social sciences – from sociological/normative institutionalism to rational choice institutionalism – deals with design. Thus it is important to explain here why the study of individual leaders sheds a different light on designs of change.

Leadership accounts are typically concerned with 'what [individual] leaders do and how they do it' (Edinger 1993). More precisely, such accounts take for granted that the behaviour of individual leaders has causative features. Evidently, leaders are embedded in, and operate within, given institutional settings, and, as Goodin (1996: 15) notes, 'individualistic models cannot really explain individual choices, much less social outcomes without some reference to the larger social institutional context of those individual actions'. Few would object to this. However, it is important to take into account, first, that not all individualistic models aspire to explain individual choices, second, that institutions exert different properties in different situations, and third, that they constrain or enable different actors in a different way. The reasoning of leadership approaches is that how they constrain or enable those individuals whom we identify as leaders can often be fundamentally different from how they constrain or enable other actors so that a generic account of that broader social and institutional context should be less useful, and possibly misleading, when dealing with leaders. In line with such reasoning is the claim that political leaders are poor samples for studying the impact of collective identities or cultural frames over individuals (see Hirschman 1970, Laswell 1948: 88-93). Beyond these points, leadership approaches have little to say about the determinants of the leader's behaviour. It could be said that such approaches are not driven by any specific assumptions about the micro-foundations of human behaviour and are less concerned with explaining the leader's behaviour. This is not the usual way of mainstream social science, to say the least.

Here, I do not wish to suggest that new institutionalist approaches are uniform, but only that *in relation* to this issue they do appear as uniform. To elaborate on this point: beyond a superficial disagreement among new institutionalist approaches as to whether – or, *to what degree* – individuals instrumentalise or internalise the values of the institutional environment in which they find themselves, there is a fundamental agreement on two issues. We must conduct our inquiry, first, by assuming something specific (but universal) about the underlying motives of individuals and, second, we also must assume that those individuals cannot see their situation with the same clarity as we can. The 'leadership perspective' is not dependent upon making such assumptions. To put this in slightly different terms, new institutional approaches and leadership approaches, for instance, may take the same observable – i.e., actors' behaviour – but they reach in different directions. New institutional approaches reach 'backwards' and try to marry the actors' behaviour to the structure of the situation or the institutional context. 'Central to any institutional analysis', as Hall and Taylor note, 'is the question: how do institutions affect the behaviour of individuals?' (1996:7; see also Peters 1999). Leadership accounts, on the other hand, are more about *explaining the situations that arise from the leader's behaviour*, while assuming that the behaviour of interest is not a natural extension of the complexities of the conditions in which it occurs (Hook 1957: xiii). This divergence can also be considered through the prism of constraints. Namely, leadership and new intuitionalist approaches consider 'constraints' from a different angle.[5] Leadership is *not* about how institutions constrain or shape actors' behaviour; instead, it is concerned with how one individual in a position of power *challenges constraints* (Blondel 1987) or *stretches constraints* (Samuels 2003: 5-7), and how this creates a new set of constraints. In addition, the leader's behaviour towards those constraints is treated as a factor of choice (Blondel 1987:113; Samuels 2003). 'Choice', within leadership accounts, it must be pointed out, tends to stand for something rather different than it stands for in rational-choice approaches, in two ways. First, actors found in similar contingencies, but making different choices, is a recurring theme in leadership approaches (see, for instance, Samuels 2003; Grindle 2000: 204; Almond 1973; Rustow 1970). The idea that there is more than one way to act strategically within a given set of conditions is, in my view, antithetical to the rational choice framework.[6] Second, leadership studies do not usually assume that the choice situation is a product of the interrelation, preferences and resources of other actors (for such a view on choice situations, see Dowding et al. 1995). Instead, they assume that the choice situations in which leaders find themselves is shaped by history (e.g. outcomes of past state projects),[7] by the contradictory roles that leaders fulfil during periods of change, and by the finite resources and moves that they have at their disposal.

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[5] The distinction between approach, theory and model is worth mentioning here. Approaches are more encompassing than theories and do not have to contain specific testable hypothesis (see Geddes 2006). Models, whether they are verbal, mathematical, empirical or theoretical, are more specific representations of the relationship between variables within a data set. Much like approaches, models cannot be refuted – they are objects (Clarke & Primo 2012: 59). They can only be accused of being more or less useful. Models need not relate to theories or approaches but they often do. This research examines approaches but uses theories, models and sometimes arguments as proxies for doing so.

One final, and perhaps most important, distinction needs to be made here: institutionalist approaches, particularly those of sociological and historical variants, tend to *appreciate 'continuity in change'* (see, for instance, North 1990: 6; Van de Ven and Garud 1993; Pierson 1994; Riker 1998; Mahoney and Thelen 2010). 'There often is considerable continuity through and in spite of historical break points' (Thelen and Streeck 2005:8): this is a typical new institutionalist claim. Accordingly, the analytical focus within such accounts is either on the mechanisms of reproduction (see Mahoney 2000; Pierson 2000) or the gradualism and continuity which constitutes transformative processes (see Thelen and Streek 2005). This is arguably a symptom of the logical problem that arises from trying to explain change by focusing on mechanisms that block change or concepts that convey continuity (Cambell 2007: 6; see also Peters 1999). 'Leadership', on the other hand, is about emphasising discontinuity (or irregularity) during both 'normal times' and 'historical breaking points'. As Rhodes and 't Hart (2014:11) state, 'It pays to explore leadership as a fundamentally disruptive force and examine how some leaders challenge existing beliefs, practices and traditions'. Samuels makes a similar point, while also arguing that 'leadership is a *regular* contingency' (2003). (The term 'contingency' does not stand for an accident or something random in his account). Blondel, albeit less forcefully, crafts a similar argument:

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[6] Prominent practitioners of the rational choice approach suggest that the approach is not really about choice. 'The real action in the model does not . . . come from the internal considerations of the actor but from the constraints on
her behaviour' (Levi 1997: 25). Similarly, Tsebelis notes that 'the rational-choice approach focuses its attention on the constraints imposed on rational actors . . .' (1990: 40). Dowding adds to such voices when saying that 'it is the structure of the individual choice situation that does most of the explanatory work' (1991:18).

[7] For instance, Samuels' analysis of leaders' choices is essentially about, as he would put it (2003: 17), leaders 'who had very different conversations with history'.

> The recognition that leaders somewhat modify the environment with which they are confronted also means that the qualities and role of an individual leader should be judged not by the extent to which, for instance, large reforms are introduced, but by the impact he can make given a particular 'predisposition' of the environment. (Blondel 1987: 202)

I will refrain here from labelling leadership as a disruptive force for reasons that are elaborated further below. The more important point for the moment is that ‘leadership’ refers to a particular kind of behaviour which can be found both during periods of ‘normalcy’ and ‘crisis’ (let us call it a non-routine behaviour) and the effect of that behaviour upon the environment. However small or large that effect might be, the point is that it modifies the environment. The broad notion that leadership accounts deal with what leaders do and how they do it, can therefore be narrowed down by adding non-routine behaviour and its effects upon the institutional context to the mix.

To make two further points here: Regarding the remark that it pays off to consider leadership as a disruptive force – this has been done many times and it is difficult to detect any payoffs (at least, this strategy proved relatively toothless for the purpose of making the study of the individual leader more relevant). Therefore, something else seems to be missing from the equation. Regarding the remark that leadership is not something that occurs episodically during moments of great distress, in the form of charismatic figures, but is, or can be, a more constant feature of politics- it is true, but, for the purposes of making the study of individual leaders more relevant, it may be more advantageous to focus on the more visible episodes of institutional change (e.g. reforms).

Instead of seeking to prove that ‘leaders matter’, we could consider under what conditions and for what reasons the idea that the study of the exercise of power of individual leaders can be useful seems acceptable to mainstream social science and follow this path of less resistance .

On that note, new institutional approaches, claiming that institutions ‘influence’ and ‘shape’ but do not completely determine conduct or outcomes, do indeed leave room for leadership in our analysis. Moreover, as Thelen and Steinmo recognise, ‘institutions are themselves also the outcome (conscious or unintended) of deliberate political strategies, of political conflict, and of choice’ (1992: 10). It can be added here that a combination of deliberate strategies and intended outcomes are by and large absent from institutionalist approaches. New intuitional approaches oscillate between unintended consequences of deliberate strategies (rational choice variants excel in this department) and the cumulative effects of habitual (unreflective) action.

If we turn to periods of 'critical junctures' (i.e., periods when institutions are usually considered as being outcomes), the space that new institutionalism leaves for leadership stretches yet further. This is a place of (ontological) compromise – namely, the basic assumption of the 'critical junctures' approach is that we are dealing with institutions that matter until they don't and with individuals who don't matter until they do (Steinmo et al. 1992: 15; see also Peters 1999:65).

In the broadest terms, 'critical junctures' can be understood as being periods of significant institutional change and their analysis usually entails 'focusing on the formative moments for institutions and organizations' (Pierson, 1993: 602). Those formative moments are usually considered to comprise the following: a shift in 'policy paradigms' and efforts to institutionalise, that is to say, to infuse value and stability into a certain institutional novelty or a set of institutional novelties (for the concept of 'policy paradigms', see Hall 1993; for institutionalisation, see Huntington 1968; also Selznick 1957)**.** Leaders can also be placed at the centre of shifts in 'policy paradigms'. The concrete manifestation of the processes where one set of (policy) ideas and principles replaces another are to be found in leaders' public speeches and policy decisions. The linkages between leaders and policy paradigms go deeper in the sense that leaders are the only political actors who can subvert the existing ideas and standards that guide the policy processes, without necessarily causing a systemic crisis.[8] Thus, to make one further point, leadership is a unique and complex phenomenon not just because it is disruptive but also because it infuses a certain dimension of normalcy or value to disruptions. [9] Put differently, whether the phenomenon is disruptive depends upon where one looks at it from. From the perspective of *established* rules, leadership is indeed disruptive during periods of reforms. As regards *emerging* rules, however**,** the leaders' presence tends to have stabilising effects.

If we take into account that institutionalisation processes in politics are 'non-linear' and 'manipulable' and that *time* is but one relevant variable, alongside *legitimacy* and *support*

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[8] Leaders have the capacity to perform an authoritative allocation of values independently of the existing institutional arrangements, and, by the virtue of such capacity, they can infuse a certain flexibility into policymaking processes. This comes in the form of new principles and ideas to guide the policymaking process. Although the concept of policy paradigms is not usually used in this way, this does not mean, I believe, that such usage is incorrect.

[9] Leaders' interactions with change and stability extend beyond discourse and politics. As Hirschman observed some time ago, during the most visible episodes of institutional change (i.e. reforms), leaders, in their role as policymakers, actively try to manipulate the forces of stability and instability by combining pressure-inducing and pressure-relieving measures (1957).

(Blondel 2006), then leaders can be placed at the centre of such processes.[10] By this, I mean the support and legitimacy that leaders enjoy and the support and legitimacy that those institutional novelties enjoy are inexplicably intertwined during periods of significant institutional change. Conversely, the extent to which leaders are capable of winning symbolic or real battles and skilful in utilizing the limited material and immaterial resources at their disposal is a key factor in determining whether a certain institutional novelty will acquire value and stability or not. Leaders add sturdiness to emerging rules, not only via symbolic activity but also through assimilating and/ or annihilating the real alternatives to those emerging rules. In this regard, leaders are agents of instiutionalisation, as Selznick notes (1957: 27). If we recognise leaders as being agents of institutionalisation, and consider institutionalisation as 'the process by which organisations and procedures acquire value and stability' (Huntington 1968:12), then we can infer that leaders' actions inescapably relate to stability during periods of reform.

It appears that the moment we consider the linkages between leaders and policy paradigms and institutionalisation processes, the idea that leadership is disruptive becomes less appealing. So where does this leave us? One alternative is to look at the roles and functions that leaders perform in politics (especially during periods of significant institutional change) as being inherently contradictory.

The fact that leaders must play dual paradoxical roles is not something that went undetected by social scientists. 'Somehow the order-shattering implications of the exercise of power have to be reconciled with the order-affirming expectations of its use', notes Skowronek (1997: 20). Although Skowronek writes about the power of the American president, as defined by the American constitution, his point preserves general validity**.** This order-affirming role of leaders does not stop being relevant during periods of reforms. Irrespective of their formal role, or the nature of the order in which they find themselves, leaders add elements of order to reforms in two crucial ways. First, they try to organise reforms (that is to say, they try to bring predictability to the processes of institutional redesign); they also have a personal interest in the eventual restoration of normality. This is worth highlighting, as it points to a unique dimension of the interaction between individual agency and institutional change; one that is

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[1010] Selznick, to my knowledge, pioneered the idea of leadership as being a process of 'promotion and protection of (organizational/institutional) values' (1957: 28; for a more recent example of leadership as a process of institutionalization, see Boin and Christensen 2008).

diminished by the popular idea that leadership is a disruptive phenomenon and, more importantly for our purposes here, seldom accounted for in our models of policy change.

The leadership approach, then, entails a distinctive view on change occurring by design, on individual behavior (it does not dwell on any particular assumptions about the deep motives of the individual under investigation and is less concerned with what structures individual behavior and more with how that behavior structures change) and choice (it does not assume that individuals are interchangeable and that the choice situation is only interpersonal). That distinctiveness emanates in part from being attentive to the specificities of the phenomena of interests and thus it is organic, rather than artificial. To get to the next point, that distinctiveness is potentially relevant and useful.

By 'relevant and useful' I mean the study of individual leaders relates to paradigmatic shifts and institutionalization processes in the 'right' way. If, as some note, Hall's conceptualisation of policy paradigms suffers from the absence of a clear source of agency (see Cairney and Weible 2015), and if, as Thelen argues, we need to go beyond the heuristics of the path dependence metaphor and study the actual processes of change (Thelen 2003) then the study of individual leaders can act as corrective in this instance. Whatever else is said or assumed about the 'leadership approach', it does not suffer from not having a clear source of agency. As regards Thelen's plea for studying the actual processes of change, leaders' decisions and speeches tend to carry useful information as to what the actual processes of change are – at the very least, focusing on the leaders' conduct should be useful for determining whether there is discrepancy between the appearance of change and the actual processes of change that interest us.

If the 'critical juncture approach', as Campbell (2010:92) notes, suffers from an overemphasis on the key events that create pressures for change, and underemphasis of the complex search process that follows, then looking more closely at what leaders do, and how they do it, can help in that department. An analysis of leadership places emphasis on what happens *after* a consensus on change has been reached within a given political community; it shifts the focus to those moments of decisive intervention and to the deliberate efforts to control the subsequent processes.

Last, if we are interested not only in what causes switches from stability to instability in political systems, but also in what causes moves in the opposite direction (and how agency relates to those processes), then the study of individual leaders can be of value. Granted, institutionalist approaches provide answers as to how institutional novelties normalise, but those answers are relatively uniform –i.e., they tend to revolve around the role of 'self-reinforcing mechanisms' (see, for instance, Pierson 2003; 2000; also Mahoney 2000)**.** The study of individual leaders allows to look beyond the self- reinforcing mechanisms, and see those institutionalisation processes as being less linear, manipulable by agency, and shaped by the political triumphs and failures of individual actors.

At this point it would be useful to note that the 'leadership approach' (I am taking the liberty here of categorising the study of the effort of individual leaders to control change processes as an approach) is not acknowledged as a useful tool for analysing institutional changes. The basic contention is that science is interested in the complexities and regularities of social life and that the study of individual leaders has little to offer in those departments.

1.3 Leadership within political science: identifying the two key assumptions about the study of leaders within the discipline

When asked to identify the shortcomings of political science, some of the older political scientists have pointed out the issue of political leadership. According to Huntington: 'the serious study of political leadership has been a great deficiency in recent political science' (2007: 228). Linz also voices a similar concern: 'We know much too little about political leadership' (2007: 201). 'We've not only failed to progress in the study of power, we've actually gone into reverse', claims Robert Dahl, while also noting that 'very few people study power today' (2007: 146).[11]

Part of the problem of accommodating leadership within political science seems to be ontological – it concerns the distinctiveness of the phenomenon. Consider the following claim: 'There was no basis in his own constitution for what he was doing; what he was doing was asserting the centrality of his own action' (Gaffney 2010:42). Making such a claim about any other actor but the political leader of a country that goes through a period of significant change would not strike one as something meaningful; but, also, if we are to replace Charles de Gaulle – the subject of the claim – with some other reformer, the claim can still preserve sufficient meaning. Leaders are special institutional actors; they interact with formal and particularly with informal institutions in a way that makes them different from other actors and similar to one another. Few social scientists would dispute such a claim.

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[11] Dahl's statement seems odd given that political science is supposedly about power, but this does not make it less true.

The distinctiveness of the phenomenon and the deficiency in, as Huntington would put this, 'a serious study of leadership' are by no means unrelated themes**.** The predominant approaches of political science – i.e., the various strands of new institutionalism– are not devised to accommodate that distinctiveness. For reasons that will not be discussed in detail here, institutionalist approaches excel at highlighting similarities between leaders and other individuals. The popularity of the concept of entrepreneurship within new institutionalist approaches is, in my view, a clear manifestation of that reality. Moreover, as mentioned elsewhere, institutionalist approaches are inherently driven towards the question 'how institutions structure behaviour' (see Peters 1996; Hall and Taylor 1996). While such approaches do not simply ignore what individual leaders do, they do also tend to place individual conduct in a rather rigid frame, and, one may add, for a specific agenda. When dealing with the behaviour of individual leaders, some variants of the new institutionalism usually highlight (disproportionally, it seems) the performance of routine acts or actions – the goal here is to show how the actor of interest internalises the values of their institutional environment**.** Other variants of the new institutionalism tend to highlight how individuals retract to some 'second-best strategy' – the goal here is to show the inability of the leader to transcend the constraints set by the political context. It seems fair to say that, within new institutional approaches, behavior of individuals is considered to the extent that it can help in recognising the causative impact of institutions or political contexts. As Mahoney and Thelen state clearly, 'Change agents become the intervening step through which the character of institutional rules and political context do their causal work' (2010:28). In other words, the behaviour of agents is there only in order to add vividness to the analysis of how institutions structure change.

Stereotyping the most advanced models in political science in a paragraph is not intended to challenge their validity or utility; instead, it aims to suggest that it is difficult (and perhaps pointless) to consider leadership as a set of non-routine actions that structure institutional change or the behaviour of other groups or individuals from within these models. Scholars who have tried to draw linkages between individual leaders and policy/institutional changes voice such concerns (see Samuels 2003 and 2006; Grindle 2000).

The key reason for considering the conduct of leaders from outside the new institutionalist framework can be simplified as follows. According to March and Olsen, ‘Institutional thinking emphasises the part played by institutional structures in imposing elements of order on a potentially inchoate world’ (1984: 738-739). New institutionalism provides the infrastructure for utilising such thinking. Using that same infrastructure in order to consider the structuring properties of the acts and actions of leaders is, I believe, pointless.

It must be pointed out here that *the analysis of individual leaders is not something that political science has left behind as it matured as a discipline; instead, the antagonism towards the phenomenon (and such an analysis) precedes the development of the discipline.*

As Blondel notes, ‘There has been recurrent unease among political theorists about leaders; this unease has extended to leadership’ (1987: 44). Blondel traces the origins of this trend far back:

> Hegel, Ricardo, Comte and later Marx, among many others, had attempted to divest political leaders of their real decision-making capabilities and turn them increasingly into mere mouthpieces for the deeper developments that were transforming the social and economic fabric of the nations of the world. Whatever the 'scientific' analysis of society seemed to suggest – and, indeed, in the eyes of some seemed to prove – that in reality leaders scarcely mattered and that they were replaceable or interchangeable: they were symbols of historical trends, not the engines of history. (1987: 47)

This trend continued through the second half of the past century. ‘Political scientists, perhaps somewhat disdainfully, have preferred to leave it to others to write about the individual political leader’, writes Edinger (1964: 423). Leadership within political science is considered to be a residual variable, an inconvenience in our inquiry, as Laitin and Lustick (1974) would note. These trends had frustrated some political scientists to the point that they would take their work on political leadership outside the social sciences and into the humanities (e.g., Burns 1978). Another key long-term trend in the social sciences is worth mentioning here. Marx has brought the dictum: 'If the essence and appearance of things directly coincided, all science would be superfluous’. Social science has built its identity upon such an idea**.** More importantly, this appearance/reality distinction takes a peculiar form in contemporary social science: the predominant reasoning within the social sciences is that the seemingly trivial (say, the everyday life of a street-level bureaucrat) is in fact the important**.** Or as Goodin(1996:3) would put this, the focus of inquiry across all disciplines has moved decisively away from kings and courtly doings and 'is, at one and the same time, both broader and narrower'.[12] The trend of equating nuances with importance may or may not have something to do with the pre-existing and enduring antagonism among scholars/social scientists towards leadership. It is more important for the moment to note that this does affect how we perceive leadership – and for the sake of argument here let us assume that leadership is primarily about decision-making, which in turn is usually not a very subtle phenomenon. For instance, decision making (something that is within the realm of the responsibilities of the leaders) is treated by mainstream social science as the most external feature of institutional change processes and, arguably, the least important one. Under the logic 'the more nuanced, the more important', mainstream social scientists place emphasis on what happens *below* the decision-making arena, and on what happens before or after the decision point, while also focusing on the role of some other actors – e.g. policy experts or bureaucratic organisations.

What changed on this plane with the appearance of the 'new institutionalism' during the 1980s, and with its subsequent establishment as a paradigm within the discipline, is that the *reasons for treating the study of individual leaders as something obsolete have become better articulated*.[13] New institutionalism advances the idea that whichever quality we can ascribe to the individual we can also ascribe it to institutions (or organisations). Saying that institutions make choices is no more nor less problematic than saying that individuals make choices, claim March and Olsen (1984: 738-739). Under such reasoning, the right to deal with choice, strategy, and 'the other paraphernalia of coherent intelligence' is preserved, while the necessity for ascribing such qualities to the individual is removed. Furthermore, new institutionalism also holds that we should focus on routine actions and the organisational qualities that cultivate such action – especially when confronted with what appears as an episode of dramatic institutional change. As March would note on this issue:

> Because of the magnitude of some changes in organizations, we are inclined to look for comparably dramatic explanations for change, but the search for drama may often be a mistake. Most change in organizations results neither from extraordinary organizational processes or forces, nor from uncommon imagination, persistence or skill, but from relatively

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[12] Not all scholars considered this trend as progress. 'There is an amazing disproportion between the apparent breadth of the goal (say, a general theory of social change) and the true pettiness of the researches undertaken to achieve that goal (say, a change in a hospital when one head nurse is replaced by another)' argued Strauss (1962: 320).

[13] It took less than two decades from the emergence of the new institutionalism – I am using here March and Olsen's 1984 article and Pierson and Skocpol's remark that 'we are all institutionalists now' (2002: 706) as reference points – to its establishment as a paradigm within the social sciences.

> stable, routine processes that relate organizations to their environments. Change takes place because most of the time most people in an organization do about what they are supposed to do. (March 1981: 564)[14]

The objection to using leaders and leadership as lenses for studying institutional change can be elaborated along altogether different lines. The 'science' part of social science stands for invariants; at the minimum, the duty of science is to reveal patterns in the social world (Kaplan 1965: 85). Put differently, 'only what can be transported can be treated [by the scientific method]' (Cuertes 1984:20). Seeking invariants or patterns through leadership is meaningful insofar as comparing the behaviour of two (or more) particular individuals found in different times and places and coming from different backgrounds is seen as meaningful; insofar as comparing innovation**,** deviation and suchlike phenomena is seen as meaningful as well. As Huntington points out regarding this issue, 'There is always a tendency, in the laudable desire to produce generalisations, for people to study issues where a large number of variables can be compared and quantified. This tends to omit the decisive role played by political leaders' (in Munck and Snyder 2007). Huntington writes this in support of 'bringing back' leadership in our inquiries (and presumably with the intention of highlighting the complexity of the phenomenon). Nevertheless, his suggestion that generalisations and the study of leadership do not actually go hand-in-hand reveals another widespread assumption about leadership that exists within political science: namely, that even if it is occasionally important, it is still an idiosyncratic factor.

Thus, the leader and leadership perspective on institutional change is challenged on two grounds: it deals with the obvious and/or the idiosyncratic. In other words, it combines the worst of both worlds.

Such accusations cannot be adequately understood, I believe, without considering some peculiarities of political science as a discipline. Political science, which is a discipline where the study of leadership belongs or should belong, must be profoundly political in order to preserve its integrity and independence from the subjects of its interest. To my understanding, other branches of the social sciences do not operate under such paradoxical conditions (or at least they are not that apparent). More concretely, there is an on-going conflict between political scientists and politicians. The dynamics of this conflict can be briefly mapped out as follows: political scientists (not wanting to follow up on Machiavelli and allow political science to act as the handmaiden to rulers) have tried to secure its independence from politicians by endorsing liberalism. Politicians, in turn, dubbed the work of political scientists as being irrelevant. (For more on the political logic behind the argument that political science is irrelevant, see Rogowski 2013; for more on the unity between political science and liberalism, see Strauss 1953). Political scientists went a step further by endorsing the idea that politicians are handmaidens of forces they do not understand. These are oversimplifications for the sake of saving space. The more relevant point here is that the study of political leadership suffers from that conflict, both directly and indirectly. The direct effect is self-evident[15]; the indirect one warrants a brief elaboration.

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[14] Although March makes this comment with reference to organisations in general, it is difficult to dispute the influence of such reasoning on how political science has dealt with the problem of change. The theory informed literature on Deng's era reforms is a case in point.

Liberalism has no criteria for distinguishing the important from the unimportant. According to Leo Strauss, the influence of liberalism over the discipline manifests itself as a preference for studying the frequent over the dramatic, while criteria of exactness serve as a substitute for criteria of relevance (see Straus 1968). In relation to such dispositions, the study of a 'few critical decisions'– which, according to Selznick (1992), is central to the analysis of leaders – seems unnatural, whereas the claim that by omitting this aspect we only omit the obvious or the idiosyncratic of social reality seems convenient.

To conclude, the problem of leadership within political science, as detailed in this section, is a complex one and extends beyond the often noted enduring antagonism towards the phenomena within the discipline. The challenge of making the study of individual leaders more relevant, however, could be no more complicated than the following: associate the study of individual leaders with the study of regularities and complexities of the dynamics of institutional change.

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[15] Leadership entails a highly in-equalitarian relationship, challenging norms and rules; this is at odds with the tenets of liberalism (see Blondel 1987; Walter 2006).

1.4 The three relationships of interest to this study

This research focuses on the relationships that leaders form with 1) policies of change, 2) history and 3) bureaucracy during periods of reform. Before explaining the rationale for choosing those particular relationships let us consider for a moment the tradition to conceptualise leadership as an interpersonal phenomenon and the necessity to break with this tradition.

Within political analysis, leadership is often considered from a Weberian perspective or the closely related notion of the transforming leader (Burns 1978). Whereas Weber 'concentrates on crises and considers the personal role of leaders in crises only' (Blondel 1987: 61), Burns' notion of leadership is not that situationally restricted, and both approaches ascribe centrality to the affective or emotional bonds that arise between leaders and followers /the general public. The difference here is that whereas Burns emphasises how leaders raise the moral standards of followers (and offers a positive conception of leadership[16]), Weber emphasises how leaders shape the needs and wants of others. In both cases, leadership is confined to being a *preference-shaping* phenomenon (as opposed to a context-shaping phenomenon).

Symptomatically, very little is said about the nature of the relationship between 'prophets' (or transforming leaders) and policies of change within those theories. Is there anything particular about their policymaking approach? What type of trade-offs do they prefer as policymakers? Are they more effective in their role as policymakers than those who do not form 'special bonds' with the public or do not have followers? (For a more elaborate critique of Weber's notion of leadership along these lines, see Blondel 1987; for the weaknesses of the transformational theory of political leadership, see Nye 2008.)

Admittedly, charismatic and transformational accounts are arguably not so relevant in contemporary political science. The characteristic effort to conceptualise political leadership within the discipline derives from rational choice theory – i.e., the principle-agent model (PA).[17] The PA model differs from the charismatic/transformational theories in its robustness and formalism. It is also counter-intuitive in the sense that it considers followers (voters) as being strategic players and reduces leadership to a simple response activity. It takes Dahl's rather sensible notion that the leader 'is not so much the agent of others as others are his agents' (1961: 6) and turns it upside down. Despite the inventiveness of the effort, the PA, much like the charismatic and transformational theories, focuses on individual preferences and interpersonal relationships.

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[16] Burns, rather controversially, does not recognize figures such as Stalin or Hitler as being leaders.

[17] If Weber says little about the normative character of leadership, and Burns frames leadership in positive terms, the PA frames the phenomenon in negative terms (Brennan and Brooks 2014:162). The PA is not entirely silent on the policy- leadership nexus but it deals with it in a reductionist manner; namely, within such a framework, the role of authority is side-lined and the emphasis is placed on bargaining, rather than imposition.

Whether leaders manipulate preferences, transform preferences, or are bound by the preferences of others, appear as central issues within the above-mentioned theories. Situations that are not defined by preferences and/or leaders' actions that are not aimed directly at affecting preferences are treated in a highly reductionist manner by such theories.

From this viewpoint, it seems that the dynamics of interactions between leaders and policies of change remain underexplored and, by extension, a poorly conceptualised phenomenon. This claim warrants some clarification. One could argue that the transformational/charismatic theories and PA models are not representative of how political science has dealt with the leaders-policies nexus. The voluminous literature on 'policy entrepreneurs', for instance, deals extensively with how *agency* is involved in policy/institutional change processes (see Kingdon 1984).

My understanding is that state leaders and 'policy entrepreneurs' are different figures who tend to operate independently from one another (neither do leaders need 'entrepreneurs' nor 'entrepreneurs' need leaders in order to affect change) and relate to different modes of institutional change. Conversely, the claim made here, that the leaders-policy relationship is ignored, should be differentiated from the claim that the role of agency in policy/ institutional change is altogether ignored.

Returning to the main point, there are at least three reasons why we should look at the relationship between leaders and policies of change more closely.

- First, as it is frequently demonstrated in empirical studies, leaders, regardless of the nature of the political system, can bring a certain policy into existence *singlehandedly* (see, for instance, Vogel 2011; Grindle 2000). Imposition, acting unilaterally and arbitrarily, is not something that other participants in the policy processes can do. Others can bargain and persuade; they cannot impose a solution to some public or administrative problems.

- Second, leaders are the only actors who can *influence policy at all stages*. We can argue about whether leaders exercise power primarily by making policy-decisions, whereas bureaucrats walk the walk and talk the talk, as some state, during policy implementation. The point remains, however, that leaders, unlike the other participants, *can* exercise power over policy proposal, decision, implementation, and evaluation stages. They can do so directly, by deciding on the timing and the level of details a policy decision will carry; and indirectly, by making appointments and by interacting with the legislature, the state bureaucracy, and the public.

- Last**,** during periods of intensive policymaking, whatever else leaders do reflects itself in the policy arena**.** How they approach the 'problem of bureaucracy', how they deal with political opposition and how they try to bond with the public: each of those activities translates as a contingency on the policy plane. The removal from power of a leader usually means bad news for the policies he or she was closely associated with (regardless of their feasibility or performance). Additionally, what policies do inevitably has political implications for the leader. What is interesting and important to note here is that policy performance has opposite implications for leaders than it has for other elite actors during periods of significant institutional change. A policy backlash, for instance, increases the appeal of both those who oppose radical departures from the status quo and those who consider removal of the established elites as a necessary step towards national progress, while decreasing the appeal of the leader. A positive policy feedback (particularly if it affects the economy) increases the trust and legitimacy of the leader, while also lowering the appeal of those who advocate (or plot) an alternative.

Leaders, therefore, are in constant interaction with policies of change and their fortunes are inexplicably intertwined. Such a complex relationship is what separates leaders from other actors and makes them similar to one another.

Shifting the focus from interpersonal relationship to the leaders-policy nexus (or from how leaders relate to other actors to how they relate differently than other actors to rules and structures), it must be added here, is not about finding new and more compelling answer to the question what leadership is. Instead it is about making the study of individual leaders more useful by being attentive to what actually interests mainstream political science. Political science does not seem particularly interested in questions such as what is leadership or how leaders relate to other individuals. It is arguably indifferent to such questions. It seeks instead to devise more complex, realistic, and dynamic accounts of policy/institutional change processes. Drawing attention to the unrecognised or undervalued complexity of the interactions between leaders and policies of change seems as a good strategy to match the needs of mainstream political science.

Thus, *this research looks at the leader-policy relationship – each phenomenon is considered in relation to the other – in order to explore idea that the study of individual leaders and the study of complexities of institutional change can be complementary.*

The manner in which this research tries to disassociate the analysis of leadership from the analysis of idiosyncrasies of institutional change is considered next. There are a few, not overly complex assumptions, required for seeking regularities via leadership, such as 'there are certain basic political activities and processes characteristic of all political systems' (Easton 1953) and 'every human being is in certain ways like all other human beings, in certain ways more like some human beings than others' (Kluckhohn & Murray 1953 in Greenstain 1991: 119).

Blondel, one of the few scholars who has dealt with leadership within political science and outside the charismatic or transformational frameworks (see also Paige 1977; Edinger 1975; Samuels 2003), maintains that there is both room for and the necessity of finding general patterns in leadership. '[I]t is imperative to study leadership in its generality', he writes (for a similar argument, see also Rostow 1970).

To do so, Blondel proposes that we take into account the leaders' intentions, the nature and scope of their intervention, and consequences of their actions, while suggesting some classificatory scheme for doing so (see Blondel 1987: 86-95). This research proceeds slightly differently. Instead of looking at what leaders *aim to achieve* and what they eventually *achieve,* here the focus is on what they *do* and *how they go about it*. The reason for omitting intentions and consequences is *not* because they are difficult to measure. In contrast to dealing with intentions and consequences, by asking how-type questions and by focusing on the performative aspects of leadership (i.e., the exercise of power, rather than the consequences of that exercise of power) we are dealing with more value-neutral components and, it seems, a more *ordered* world.

To pick up on a previous point, leadership may well be a disruptive force, but it meets its match in the bureaucracy. 'Leaders often want to do new things and sometimes carry ideas that are averse to existing organisational routines, values and interests. The bureaucracy, on the other hand, likes continuity and certainty' (Aberbach and Rockman 2004: 207). The tendency of bureaucratic actors to distort initiatives for change coming from above is not something bound to some particular historical, cultural or institutional settings. This phenomenon has been regularly observed in both democratic and non-democratic settings. The other constant is that leaders depend upon bureaucratic organisations (Blondel 1987: 167-8). Whether and to what extent their aspirations as reformers will be translated into reality is a question of bureaucratic performance. The third constant here is that leaders can respond to bureaucratic tendencies to resist change in only two ways: by putting the bureaucrats on a 'short leash' or by incentivising them. One could argue that there is a third option here – i.e., leaders can inspire bureaucrats; but this option might be too farfetched as it is difficult to inspire state experts who, guided by their experience, expect to outlast the reformers, or at least, the reformist enthusiasm.

History is the other grand force with which leaders must interact constantly (Samuels 2003), and here, as well, we can speak of dynamics that preserve integrity across various political settings. Part of the reason why leaders, in their role as reformers, engage in disruptive activities is that they do not want to replicate the results of their predecessors. They do things differently since doing things the old way, while expecting to achieve new results, is irrational. Thus, in this regard, they have to form a 'negative' bond with history. They also have to form a 'positive' bond with history. Leaders, during periods of significant institutional change, deal with issues such as building trust and rebuilding (state) legitimacy and those are inseparable from history. 'Trust', Luhmann writes, 'is only possible in a familiar world; it needs history as a reliable background' (1979: 20).

The second and third (analytical) points of interest of this inquiry, therefore, are bureaucracy and history – how they correspond to leaders' choices and how, through those choices, they turn into contingencies on the policy plane. It must be pointed out here that whether those grand forces can be affected by individual action (as some argue) or not (a belief widely held by social scientists) is a debate upon which this research takes a clear position but adds very little directly. This research is more interested in showing how we can profit from focusing on the leader's effort to control and manipulate those grand forces. How this exercise can add concreteness and dynamism to the study of the interactions between agency, change and stability; also, to show how the analysis of leaders' choices and the quest for regularities and generalities of institutional change align at those points (Chapter 7 deals thoroughly with the interactions between leadership, history, and bureaucracy).

1.5 How this study uses Hirschman's, Selznick's, and Samuels' ideas on (the study of) agency and change

While exploring the relationship between leaders and institutional change, this research, in both its theoretical and empirical parts, extensively borrows ideas from Hirschman's various works; it takes some key recommendations from 'old' institutionalists such as Philip Selznick; but in its overall design looks most closely at Samuels' *Machiavelli's Children.*[18]

The ideas of Albert Hirschman are included in this study, firstly, because his work focuses on reforms (1958; 1965; 1967; 1971), and, occasionally, on the role of political leaders in shaping such processes (1971). Hirschman (1971: 80) considers reforms as being driven by planners (rather than partisans who do not acknowledge responsibility for the society as a whole).[19] Furthermore, he (1971: 78) rejects the idea that policy makers (in contradistinction to social scientists) are incapable to comprehend the present interrelatedness of processes and future repercussions of decisions. It could be said here that Hirschman's approach is reactionary and intended to challenge the scepticism/cynicism about the role, capacity and motives of policy makers, which governs mainstream social science inquiry. Secondly, he is one of the few social scientists who deal with phenomena such as reforms from outside the established 'isms'. This is a deliberate effort on his part. Whereas the benefits of discipline-based approaches have been well-established, Hirschman tries to point to what can be gained by *not* going down that route. 'The search for paradigm, if successful, would actually constitute a hindrance to understanding', he argues (Hirschman 1970b). (I believe that what Hirschman sees as a 'paradigm' goes more often under the name of 'analytical approaches' in contemporary social sciences.)

Hirschman attitude towards the abstract and concrete, it must be mentioned here, is unorthodox. As he writes in his *Development Projects Observed*, 'Immersion in the particular proved, as usual, essential for the catching of anything general' (1967:3). Determining whether

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[18] These seemingly disjointed group of scholars are picked for their similar attitude towards certain ideas on agency that are presently associated with normative and rational choice institutionalism. Each of these scholars contends that the depiction of agency within mainstream social science is artificial and self-serving as opposed to providing insights on the role of individual leaders in the process of change.

[19] Hirshman also distances his analysis from the idea of the self-interested individual – which he equates, rightly or wrongly rational choice approach (see Hirschman 1971 20; see also Hirschman 1986).

Hirschman's approach to social reality is inductive, deductive or something else, [20] or whether his attitude towards social reality is a-theoretical or anti-theoretical, and finding consistency behind the seeming, as he is sometimes accused of, ad hoc opportunism becomes easier if his scholarship is considered through the prism of pragmatism. Both his critics and supporters recognise him as a pragmatist (for a critique of Hirschman's pragmatic approach, see Krugman 1994: 40; for a more positive appraisal, see Sanyal 1994).

Other authors who identify themselves as pragmatists are also suspicious of paradigmatic thinking. Abraham Kaplan (1964:28) in relation to this issue introduces, what he calls, *the law of the instrument* (which is now known by the popular phrase 'if you have a hammer then all you will see is nails'). Philip Selznick (1992) points to the perils of model thinking that features in the 'new institutionalism' literature. Hirschman's position on paradigms, then, can be better understood as a reflection of a certain research tradition (as opposed to being a reflection of his idiosyncrasies as an author).

Understood as a research tradition, pragmatism is not about criticising paradigms per se; rather, it has to do with the belief in the benefits of analytic eclecticism – that is to say, the belief in the value of considering a certain reality from multiple angles (see Sil and Katzenstein 2010). For the pragmatist, those angles (theories, models or analytical approaches) are often the key object of interest. The underlying reasoning goes as follows: given that different analytical approaches, regardless of their meta-theoretical boundaries, deal with social reality and often meet each other by dealing with the same reality, we can, and should say when one approach provides better insights than another in relation to that reality. Thus, for instance, when Hirschman, in his essay *Paradigms as a Hindrance to Understanding*, tries to make a point about the perils of paradigmatic thinking, he takes two different empirical studies that employ two opposite 'cognitive styles' while dealing with politics and change in Latin America and considers which of the two better approximates that reality. This method is known as abduction; the method of pragmatism is abduction (for more on pragmatism and abduction, see Hookway 2012:207-12). Hirschman does not employ some form of formal reasoning in order to validate his claims about which of the two 'cognitive styles' offers a more plausible account of the events; instead, he relies on common sense.[21] 'Common sense' can be considered as the third characteristic ingredient of pragmatism. As common sense is not a popular term among mainstream social scientists (on the break from common sense in social science see Strauss 1968: 210-15; for an example of how common sense is discarded by social scientist, see Ostrom 2000), it is necessary to make few clarifications here. First, common sense, from the pragmatic point of view (I consider Charles Peirce's writings as representative of pragmatism) , is not something that the majority believes to be true; also it is not something relative; lastly, within pragmatism, it has more to do with a certain mode of reasoning (primitive but concrete) than with using common sense knowledge or common sense assumptions. Pragmatism, therefore, can be boiled down to three elements: *eclecticism, common sense, and abduction.*

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[20] By 'something third', I mean abduction. According to Peirce: 'Deduction proves that something must be; Induction shows that something 'actually' is operative; Abduction merely suggests that something 'may be''/ (1934, 106, § 171) . Due to his enduring interest in drawing attention to possibilities rather than forecasting (1998:96), Hisrchman can be seen as prominent practitioner of abductive reasoning.

The purpose of this short incursion into the pragmatic logic of social inquiry is to shed some light on the nature of this study. The decision here to conceptualise, or outline, certain presuppositions about the relationship between agency and institutional change, without strict adherence to some well-developed theoretical template, is purposeful, rooted in a certain research tradition, and builds upon specific ideas that relate to that tradition. Common-sense reasoning and claims that 'this mousetrap is more useful than that mousetrap' are also integral to this study. Furthermore, this research employs abductive reasoning in that it goes back and forth between the abstract and the concrete; also because its empirical chapters (see Chapters 5, 6 and 7) are *less about theory-informed analysis of empirical data and more about empirically informed analysis of theory*.

Philip Selznick is another pragmatist whose work informs this research. In his seminal work, *Leadership in Administration,* Selznick (1957: 26-28) draws the distinction between interpersonal and institutional leadership, while noting that the former 'is more concerned with persons than with policies'. Unlike charismatic or transformational theories, which, in my view, aspire to define the essential quality of the phenomenon(by focusing on interpersonal relationships), Selznick suggests that our conception of leadership should be context dependent and purpose relative. In other words, leadership is comprised of quite diverse sets of activities and interactions and the lenses for studying one of those sets might not be appropriate for studying another. This research adopts such reasoning, while also showing more affinities for exploring what leaders do to rules (both existing and emerging as well as formal and informal) than to other individuals or groups. Selznick's ideas are interesting not simply because he suggests that we should focus on how leaders relate to rules and other similar impersonal elements, but because he is attentive to the complexity of this relationship. Leaders, according to Selznick, act on behalf of 'protection of values' and institutional security – which suggests that some conservativism is integral to 'institutional leadership'. At the same time, he claims that one of the core functions of leaders is to 'create conditions that will make possible in the future what is excluded in the present' (Selznick 1957:154). This duality of roles is arguably a central but often neglected dimension of the relationship between political leaders and institutional change. The implication that derives from here is that leaders are not only agents of change, but figures who engage in more complex operations such as organising reforms and infusing value and stability to *emerging* rules. Selznick also, as mentioned previously, introduces the concept of institutionalisation (he defines it as a process by which organisations are infused with value 1957: 138) and he considers it as something that is intimately related to what leaders do and how (see Sleznick 1957 chap.1 and 2). In this context, he gives some characteristic hints on how to study the influence of leaders over institutionalisation processes. He suggests that leaders affect such processes by making a few critical decisions (critical decisions stand in contrast to routine action in his account) over a prolonged period of time (Selznick 1957: 37).

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[21] Hirschman considers one of the two studies as inferior as it 'explains far too much'; at the same time, it is parochial, relies on stereotypes, and supports its claims mostly by interviews. The other account is superior as it avoids such pitfalls while interpreting the data set of interest.

It should be noted here that Selznick's work is considered as an example of the 'old institutionalism'; and as such it has been predominantly used as a benchmark for showing how social science has progressed (see Selznick 1992). While the concept of institutionalisation has preserved its relevance, the idea that analysing leadership and institutionalisation goes hand in hand has been abandoned by contemporary social science, without ever being refuted or contested. Also, Selznick's idea of leaders' making critical decisions and having a constant effect over institutional change processes is in tension with contemporary social science, which holds that 1) the important drivers of institutional change are more subtle than executive decisions and 2) the impact of political leaders over change is constrained to decisions.

Selznick's approach appears to inflate the importance of leaders while neglecting the subtleties of institutional change. Arguably, therein lies the potential of his approach. My reasoning here goes as follows. Inflating the importance of leaders is, for certain, a break from the norms of mainstream social science (those norms are about moving in the opposite direction), and something that, in my view, could be useful towards meeting the demands of contemporary social science: i.e. devising analytical tools that are capable of revealing complexities and regularities of institutional change processes.

Let us now turn to Samuels' *Machiavelli's Children* and in order to further articulate the rationale of this study. Samuels deals with choices made by individual leaders in the context of historical changes. Much like the other two scholars mentioned above, Samuels advocates studying leaders' behaviour outside the rational-choice and outside the sociological or normative institutionalism framework. [22]

In particular, while studying leader's choice, Samuels shifts the focus from interpersonal dynamics to deliberate efforts of leaders to influence forces such as bureaucracy and history. In this context, he argues that forces such as history or bureaucracy are not indifferent to what individual leaders say or do, while identifying a set of general mechanisms through which leaders try to control or manipulate the past and their immediate environment: 'buying', 'bullying', 'inspiring' (things that leaders can do to manipulate the present) and 'bricolage' (things that reformers do to manipulate the past in order to legitimize their goals as reformers, see Samuels 2003 7-10). While not the first or last word on such themes, Samuels's study stands out in that it demonstrates that leaders' choices warrant attention as a *systematic feature* of institutional change processes. Moreover, Samuels' does not try to explain leader's choices; rather, he uses them as a vehicle for systematically exploring points of convergence and divergence of the trajectories of state development in Japan and Italy.

This research moves along similar lines (and with a somewhat similar purpose). It treats leaders' choices as systematic aspects of institutional change and considers bureaucratic performance and the relationship between the past and the present as something manipulable by leadership.

Samuels takes the political histories of two countries, Italy and Japan, that at a first glance appear to have little in common ('the odd couple', he calls them) and shows how leadership is the missing link through which those processes become both comparable and amenable to systematic treatment. This research uses a different strategy for arriving at some similar general points. The cases chosen here are 'famous' – i.e. Deng's era and Gorbachev's era reforms. As such, the underlying assumption here is that the cases related literature is representative of how mainstream social science treats institutional change. Thus, whereas Samuels (2003: 345) explores 'why we gain by reincorporating leadership into the analysis of politics', this study also explores how the individual is typically misrepresented in our studies of change and what is lost under such practices. Let us consider for a moment the rationale and the relevance of the approach taken here. Samuels' plea for 'reincorporating leadership into the analysis of politics' could be seen as a solution to no problem. This is so because one of the fundamental claims of new institutionalists is that their frames are equally attentive to choice, ideas and power as they are to the other, more traditional elements of their interest. If we accept this claim, we have no reasons to suspect that leadership (e.g. what leaders do and how) is not already incorporated into the analysis of politics. Taking this into account, a more meaningful question to ask here would be, 'How well are individual leaders incorporated into the analysis of politics?' and 'Do trends in the mainstream literature point to useful simplifications or opportunistic misrepresentations of the relationship between individual leaders and institutional changes?' This research systematically explores such questions. More precisely, by reconsidering Deng's era and Gorbachev's era reforms, it seeks to illustrate the necessity, validity, and usefulness of considering the conduct of individual leaders, and the relationship between individual leaders and change processes, from outside the mentioned mainstream approaches.

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[22] While reflecting on his book *Machiavelli's Children,* Samuels explains that he had to engage in two fights – with the rational-choice approach and also the sociological variants of new institutionalism (Samuels et al 2006: 24).

To be more precise as to what do I mean by this. Studying individual leaders from within those analytical approaches is, in one way or another, about asking what structures leaders' behaviour, that is, about explaining that behaviour. In contrast, taking the analysis of leaders outside those frames means asking: how leaders' behaviour structures change? The latter approach, if the ideas of the three scholars mentioned here are taken as referent, recognises leaders as planners; it rejects the scepticism about capacity of state actors to comprehend present interrelatedness and future consequences of policy change decisions (this issue is left to be determined by empirical observation of specific cases); it is relatively agnostic as to whether the motives of individuals are altruistic or self-interested (the rational approach in use, as opposed to the one discussed in theory, uses self-interest as an underlying assumption); and considers the temporal and spatial dimensions of institutional change processes as being manipulable by the exercise of power of leaders.

1.6 Explaining the choice of cases: why Deng's era and Gorbachev's era reforms?

Considering the usefulness and the advantages of the leadership approach to institutional change –which is a general and theoretical issue– via cases as peculiar as Deng's era and Gorbachev's era reforms may appear questionable at first sight. Below, I will specify how the two cases align with the objectives of this study.

For one, the variables that affect policy processes in systems such as those in China and the Soviet Union are fewer. Organised pressure from societal actors is absent and the 'corporate intervention in the governmental process' (to borrow Mills (1956:8) phrase) is not an issue within such settings. Furthermore, communist leaders are not burdened with playing electoral politics. For another, focusing on socialist systems seems advantageous if we want to look past the mantra that politicians are preoccupied with the short-term (political) consequences of their actions (see for instance Pierson 2000). The tenure in office of communist leaders is not limited by law**.** As such, the long-term consequences of the policies they pursue are not in the category of 'someone else's problems'. Communist leaders have clear incentives to take responsibility for the future, for the consequences of the policies that they endorse, and become what Selznick (1957) calls 'agents of institutionalisation'.

To some extent, the above applies to all non-democratic orders. What makes socialist systems unique is that they are highly bureaucratized. As Tucker notes, 'totalitarianism carries the process of bureaucratisation to its furthest extremes in modern society' (1965: 560; see also Friedrich and Brzezinski 1956:19). Bureaucratic inertia is an (unavoidable) problem for the communist reformer–much like it is for the reformer who operates in a system with institutionalised checks and balances. Questions such as 'How political leaders try to control the problem of bureaucracy? and 'What are the consequences of such efforts?' are inherently relevant in relation to studying reforms in socialist systems.

While rules and regulations are the driving force of social life in socialist systems**,** the efforts to translate some highly abstract ideas of Marxism into operational procedures had left several loose ends. Judiciary and legislative bodies exist only *pro forma* in socialist systems; more importantly for our purposes here, leadership remains the most powerful and, at the same time, the most poorly defined institution (Sakwa 1990). While the duties of the executive are seldom specified completely even in western polities, in socialist systems it is also unclear what cannot be a duty of the executive**.** Therefore, if Rustow is correct in noting that the leader is an omnipresent figure during periods of change (1970), socialist systems seem to be a place where that quality is most visible**.** Moreover, *rules in socialist systems are not designed to constrain, but to empower the political leader*. Consider, for instance, the principle of 'democratic centralism', and the ban on factionalism (see Sakwa 1998:91; Kornai 1992:35-45) and their role in preventing the fragmentation of power processes.

Last, it is also worth mentioning how communist leaders perceived themselves and their role and functions in relation to reforms. Communist leaders fancied themselves not just as agents of 'scientific socialism' but also as state theorists. Some of their theoretical efforts received critical acclaim (e.g., Lenin's *What is to be done* and *State and social revolution*) and others seemed derivative (e.g., Stalin's *Socialism and anarchism*). Quality of the content aside, from Lenin and Stalin to Mao and Deng: each of these leaders was able to articulate a set of distinctive but coherent worldviews and to act decisively upon them. Communist leaders were not only well positioned to act as planners (less disruption, access to more resources) and had clear incentives to look into the future (or not to adopt 'short political horizons' in their role as policymakers), but they were also willing to do so.

In summary, there are fewer variables that affect policy processes, bureaucratic politics are as intensive as in democratic systems (if not more so), and there are more reasons to consider communist leaders as actors who exercise a high degree of autonomy in their role as policymakers, and concern themselves not only with bringing certain problem on the policy agenda but also with the consequences of the reform policies.

Let us relate such realities to some broader issues of interest to this study. 'How leadership structures change?' is understood as a redundant, and outdated question by contemporary social science. The contention goes as follows. Political leaders lack motives, resources, or understanding to exercise control over institutional change processes; they seldom act with purposefulness and deliberation and relate to policy outcomes almost exclusively via unintended consequences. This research, as mentioned in the previous section, seeks to go beyond such over-constraining assumptions while examining the relationship between leaders and institutional change. The material, symbolic, and institutional conditions in which the communist leader operates seem the least amenable to such ideas (or over-constraining assumptions). The ‘philosopher-king’ ethos provides a counterweight to the idea that the leaders’ behaviour is a mere extension of the political context and/or the given institutional constellations. The presence of specific rules to counter the fragmentation of power processes also acts as an antidote to certain paradigmatic ideas on the capacity of individuals in position of power to act decisively. The unlimited tenure in office poses an effective challenge to the ‘politicians tend to adopt short-term political horizons’ argument. Accordingly, the legitimacy of the question ‘how leadership structures change?’ should be self-evident within such settings. Relating leaders to instiutionalisation processes and shifts in ‘policy paradigms’ is also something that seems reasonable within such settings.[23]

So why consider Deng’s era and Gorbachev’s era reforms rather than any other cases from the socialist world? For one thing, both Deng and Gorbachev were trying to introduce change into their systems as newcomers. As Blondel notes:

> 'new' leaders may be in a better position in terms of their greater ability to achieve policy changes. This would seem to result from the possession by new leaders of a certain ‘capital’, based on popularity, fear (for instance, if a coup has taken place) or the fact that it would be politically difficult, if not impossible, to replace immediately a newly appointed ruler. (1987: 142)

Both Deng and Gorbachev had a motive and opportunity to act decisively as reformers not only because they were newcomers but also because there was a broad political consensus in their political communities on the necessity for change. It is also significant that the two leaders exercised that autonomy differently from one another. How to approach the problem of bureaucratic resistance to change, how to relate the past to the present, whether the policies of change should have value rationality or instrumental rationality as a ‘guiding star’: to each of these questions, the two leaders, as we shall see in the empirical chapters, provide contrasting answers. This variance in Deng’s and Gorbachev’s conduct as reformers can be placed under the rubric *leaders making different choices under similar constraints*, which is a recurring and distinguishable feature of systematic studies of political leaders (see Samuels 2002).

Here we do not wish to suggest that dramatic variance in reform outcomes in China and the Soviet Union can be reduced to Deng’s and Gorbachev’s choices as reformers. Leader’s choice is understood here as a useful vantage point towards telling a distinctive, plausible, coherent, and useful story on the systematic aspects of those processes.

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[23] Are communist leaders’ representative of the realities of political leadership in general? Sometimes they are. Socialist systems operate by the principle of ‘enlightened despotism’. All regimes during periods of reforms – which is a rare and extraordinary phenomenon— take the form of enlightened despotism.

Another reason for choosing the two cases concerns their status within social science. Deng's era and Gorbachev's era reforms are the most popular historical cases. Social scientists have studied the two cases of reforms for more than three decades. First, the *amount of relevant information and verifiable data available on the cases* is extraordinary. According to Skocpol, 'if excellent studies by specialists are already available in some profusion – secondary sources are appropriate as the basic source of evidence for a given study' (1984: 382). Looking beyond the evidence provided by one particular study and engaging in triangulation of the data is the least we can do when dealing with these two cases of reforms (on the importance of triangulation, see Lustick 1996). That being said, Deng's era and Gorbachev's era reforms are extraordinary complex processes, and to suggest that we already know everything there is to know about them would be unserious. However, the focus here is on aspects that are well researched[24] and therefore permit to skip the usually important fact-finding step and engage in classifying the available data, relating it to established or emerging theory. This research makes basic observations and uses simple dichotomous concepts in order to analyse the dimensions of the relationship between leaders and institutional change processes (for more on this, see Chapter 3).

The quality of the available data on Deng's era and Gorbachev's era reforms, therefore, does not constrain the quality of this research analysis. The fact that this research does not engage in interviews, field-work, or similar types of data collection activities does not stand in the way of considering in detail the relationships of interest to this research (i.e. how Deng and Gorbachev as reformers related to the policies of change**;** also, how they tried to integrate the past into their change projects and deal with to the problem of bureaucratic inertia and drift). It is equally important that the strengths (or weakness) of the *general* arguments and inferences found in this research are more easily recognisable as they are built on some well-researched history and easily accessible data.

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[24] Due to the meticulous work of many, we have acquired a certain knowledge regarding what is reliable and unreliable data about the reforms in China and the Soviet Union. Thus, for instance, we know that we do not have reliable data about the defence expenditure in the Soviet Union (estimates here range from 40% or 20% of the annual budget) or about the actual size of the Soviet second (shadow) economy (estimates here range from 100 billion to 500 billion roubles per annum). That around 20 million people were active in the second economy is a more reliable number.

The intensity of the relationship between mainstream models and metaphors of institutional change and the reforms in China and the Soviet Union creates another point of interest for the purposes of this research. Deng's era and Gorbachev's era reforms are idiosyncratic events explained by universal premises. Some of the most appealing arguments about Deng's era and Gorbachev's era reforms developed by social scientist align with well-developed theories on institutional change. 'Incrementalism' predominates the social science literature on Deng's era reforms; the influence of 'public choice theory' is evident in the literature on Gorbachev's era reforms. Worth noting, in both cases such arguments but are built on explicit claims on the role of leaders in those processes.

This research assumes that the social science literature on the reforms of interest is 1) *representative* of the broader trends in the study of institutional change and 2) provides *insights on how political leaders are actually brought into the analysis of institutional change process.* Conversely, such literature is seen as suitable for exploring how the relationship between political leaders and institutional change is typically misrepresented in mainstream social science and what exactly is lost under such practices.

The *trends in the representations of the relationship between leaders and policies of change* are the final and the most important reason for choosing the two cases. Dismissing the idea that Deng and Gorbachev affected the coherence and cohesiveness of the policy change processes is one common denominator of the otherwise diverse theory-confirming literature on the reforms. Deng, the claim goes, had no interest or knowledge to devise a coherent strategy of reforms (see Chapter 5). Gorbachev, on the other hand, lacked sufficient power to do so (see Chapter 6). These are the two typical ways in which the complexity of the relationship between political leaders and designs of change are swept under the rug in the mainstream literature on institutional change. This research will show that in both cases such representation of the relationship between leaders and elements of designs is artificial, born out of convenience, and thrives because of its resonance with certain forms of paradigmatic thinking on individual agency.

In sum, Deng's era and Gorbachev's era reforms are chosen here not for their uniqueness but for their representativeness: the events and processes are understood here as representative of periods of extraordinariness, and the social science literature on those events and processes as representative of the broader trends in the study of institutional change. Looking beyond the uniqueness of Deng's and Gorbachev's era reforms and relating them to broader theoretical issues is by no means a novelty. However, this interaction between the abstract and the concrete in the existing social science literature on the reforms has been predominantly one directional. Popular concepts and theories have been used to explain the processes and outcomes in China and the Soviet Union; the occasional pleas to move in the opposite direction have remained largely unanswered (see Tsai 2017; 2013). This research breaks from that theory-confirming tradition. It looks at the concrete and particular in order to say something about the abstract and general, rather than the other way around**.** Two caveats bear mentioning. One, the trail left by the interaction between the reforms of interest and mainstream approaches on institutional change is also something concrete. Identifying and problematizing the patterns of representation of the relationship between the leaders and the reforms in China and the Soviet Union, respectively, is one of the ways by which this research uses the particular in order to say something about the general. Two, testing specific theories or developing new ones is beyond the scope of this inquiry**.** This is so because this project is about theoretical issues that cannot be resolved via testing or generating hypothesis – such as, formulating a theoretical problem and detecting advantages of certain approaches and limitations of others.

Basically, this research uses Deng’s era and Gorbachev’s era reforms in order to develop an argument about more useful and less useful and more plausible and less plausible representations of the relationship between political leaders and institutional change processes. It is hoped that this section has managed to clarify the relevance and the innate advantages of the cases for the purposes of making such an argument.

Conclusion

This chapter, first, has detailed the *distinctiveness* of the leadership approach to institutional change. Understood as an approach, leadership is about examining behaviour, choice and change from a different angle while being concerned with the question: ‘How leadership structures change?’ Secondly, it has identified the key obstacles that hold back the study of individual leaders from becoming more relevant. In relation to this, I have suggested that the claim that the study of individual leaders highlights the most external or idiosyncratic features of social reality is, in essence, a convenient response to the following. The preference among social scientist for studying the frequent, and subtle aspects of social reality, and the incompatibility of the idea that leaders perform an order-creating role during periods of change with the new institutionalism paradigm.

Identifying the logical components of the leadership approach and assessing its properties becomes a more meaningful exercise if we formulate the following problem: *Mainstream social science is inadequate for investigating the following reality: leaders try to impose elements of order to the potentially chaotic processes of institutional change, and some perform better than others in that task. Efforts towards accommodating such reality tend to relate to mainstream social science only in a destructive manner (e.g by criticizing the over-constraining assumptions on agency), and do not seek to legitimize their product in terms of the language or interests of mainstream social science.*

So, the added value of this chapter is that it formulates a problem which is implicitly affecting our analysis and understanding of institutional change (and whose presence legitimises the quest for reconsidering the advantages of the leadership approach), but, to my knowledge, is seldom recognised or taken as a subject of interest**.** Formulating this problem is one of the key contributions of this research.

As regards the aims of the analysis of Deng’s era and Gorbachev’s era reforms, it is hoped that this chapter has provided sufficient reasons to consider this study as a concrete and timely take on the problem of studying the relationship between leaders and institutional change and the problem of making the studies of individual leaders more relevant – as opposed to being a somewhat basic and, by extension, a derivative account of Deng’s era and Gorbachev’s era reforms.

The reforms in China and the Soviet Union have been found appropriate for exploring such themes because 1) the interactions between leaders and institutional change processes are more visible in socialist systems; 2) the two cases are quintessential examples of significant institutional change; 3) the availability of information on the role of leadership in those processes is extraordinary; and 4) the trends in the social science literature on the cases are exemplary of the general trends in the study of institutional change**.**

We shall return to the cases after Chapter 2.

A few additional points are in order here. In its empirical and theoretical parts, this research prioritises breadth over depth. Such a decision arises primarily from a certain understanding of political leadership. As Rustow notes, the leader is an omnipresent figure in any political process (1970: 7). According to Selznick, leadership often manifests itself as ‘only a few critical decisions over a long period of time’ (1957: 37). Evidently, omnipresent is not the same as omnipotent, and few critical decisions are not the be all and end all of institutional changes. Focusing on leaders’ conduct, therefore, allows dealing with many aspects of institutional change processes, but, at the same time, it offers no basis for a comprehensive analysis of those processes**.** By prioritising breadth over depth**,** this research is simply being attentive to such possibilities and limitations.

Next, this research, crudely stated, takes a certain quality that is commonly applied to ‘structure’ and applies it to ‘agency’. Namely, it considers leaders’ acts and actions as a structuring phenomenon**.** There are three underlying assumptions here:

> 1) that leaders’ acts and actions are distinguishable from those of other actors in that they can be considered safely along those parameters;
>
> 2) that this quality of leaders’ acts and actions cannot be accounted for from within the mainstream discipline-based approaches ;
>
> 3) and that, by focusing on this quality, we can acquire a distinctive perspective on institutional change processes.

Also, this research takes certain concepts that emanate from institutionalist theory but uses them in somewhat unorthodox ways. It recognises institutional change processes as being driven by the ‘logic of ‘instrumentality’ and the ‘logic of appropriateness’[25] and uses ‘shifts in policy paradigms’ and ‘institutionalisation’ as key conceptual categories. The reasoning here is that those concepts preserve sufficient meaning even if we disassociate them from their (theoretical) connotations that they have acquired within new institutionalism. By saying unorthodox, I mean that this analysis considers the two logics as being something that is manipulable by reformers; as something that structures the policy change processes and arises from leader’s deliberation. Basically this research reconsiders the two logics of action as dilemmatic situations and looks at two individual leaders who *made the choice to conform* to one of those logics and decisively rejected the other (see Chapters 5 and 6). This understanding of the relationship between individuals and the logics of appropriateness/instrumentality is by no means new (see for instance Weber's essays *Politics as a Vocation* and *Science as a Vocation*). The concept institutionalisation is also subjected here to a similar treatment – i.e. reconsidered by looking at its original meaning. To give an example here, whereas new institutionalism erases the leader from the analysis of institutionalisation and suchlike phenomena, Selznick considers that 'monitoring the process of institutionalisation-its costs as well as benefits-is a major responsibility of leadership.'(1992:271; see also Perrow 1986; Huntington 1968). In this understanding, institutionalisation is a guided process; it is something that is actively managed by leaders.

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[25] The logics of instrumentality and appropriateness are successors of Weber’s typology of ‘value rationality’ and ‘instrumental rationality’. The logic of appropriateness is more often used by those institutionalists who err towards sociology; the ‘logic of instrumentality’ (aka logic of consequentiality) is more commonly used by institutionalist that prefer the models developed by (neoclassical) economists. Although there is a certain disagreement among social scientists regarding whether the logic of appropriateness and the logic of instrumentality operate sequentially (see Ostrom 1991) or simultaneously (see Elster 1998), it is generally accepted that processes of institutional change are driven by both these logics.

A final point here, the aim of this inquiry is not to arrive at the argument that 'leadership matters'. (That leadership matters sometimes and somewhere in politics is an axiomatic premise of this study.) Instead, this study is structured to *explore the distinctiveness of the leadership approach and relate it to issues that are of central interest to political science – namely, understanding complexities and identifying regularities of processes of institutional change.* The next chapter theorises the scope conditions within which the interactions between leaders and institutional change is considered.

CHAPTER 2

Conceptualising and relating political leadership and reformism

2.1 Introduction

Blurring the lines between politics and the marketplace (rational choice theory), between economic and political actors (entrepreneurship models of agency), between individuals and organisations (sociological/normative institutionalism), and also between change and continuity (theory of gradual institutional change) seems to be one of the more visible trends within the social sciences. Most social scientists see this as progress, in the sense that it signals a decisive break with the archaic either/or reasoning and the advent of ‘both’ (see Goodin and Klingemann 1996: 8-12; for a less generous assessment of those trends, see Sartori 1974; Strauss 1956). Such fusions enable social scientists to tackle questions such as ‘How institutional change unfolds?’ or ‘How ideas and agency shape institutional change processes?’ while focusing empirically on, for example, the nuances of the everyday life of the factory worker.

This chapter is about drawing some lines; namely, it emphasises what makes the actors and processes of interest to this research different rather than similar to other actors and processes. The reasoning is that the circumstances and individuals of interest to this study carry enough distinctive features so as to warrant such an approach.

Although this study equates change with periods of extraordinariness, concepts such as ‘critical juncture’ or ‘punctuated equilibrium’ are deliberately omitted from the pages below. The critical juncture literature focuses on particularities that are of no interest to this inquiry (e.g. the role of self-reinforcing mechanism) and carries certain underlying assumptions about agency that this research does not want to incorporate into its analysis of the cases (e.g. it treats individual action as something that adds indeterminacy as opposed to orderliness to institutional change processes; see Mahoney 2000; Pierson 2000). Some alternative paths for conceptualising extraordinariness and for engaging in periodisation will be used here.

This research deals with *deliberate* efforts to induce significant institutional changes. According to Hirschman, such efforts unfold through a delicate interplay between pressure-inducing and pressure-relieving measures (see Hirschman 1958). Leaders, in this context, try to balance between introducing enough change in order not to replicate the results of their predecessors but less than would be necessary to collapse the existing order. They also try to balance between those actors who will come to see their change initiatives as ‘too much too soon’ and those who will come to see them as ‘too little too late’. This chapter is also about finding a balance. It attaches specific meaning to terms such as reformism and reformist leadership but without becoming so specific that it would require introducing the particularities of socialist systems.

This chapter first outlines the general assumptions about strategic action and the interplay between structure and agency that inform this inquiry. Next, it identifies the characteristic features of the change processes that are of interest to this inquiry. In particular, the focus is on reformism and on the ways it differs from evolutionary changes or revolutions**.** The final section introduces and contextualises the ideas of reformist leadership as a contingency and deviation from norms.

2.2 Structure and strategic action (looking beyond interpersonal relationships)

Leadership, in one way or another, is about making choices and about trying to control outcomes. These activities can be placed within the concept of strategy, so let me start from that particular concept.

Political actors want certain things and are affected by each other's actions; this creates a strategic situation. Conversely, 'strategy' in our analysis is often conceptualised as being one's activity of anticipating the actions of other actors and trying to limit their choices in accordance with one's preferences.[26] From this perspective, the strategic situation in politics is *an interpersonal* one whereby players try to find the best way to realise their goals (or first-order preferences) by putting themselves in the other's shoes.[27] This is an important aspect of leaders' activity: most of the time, they try to get others to do what they would not have done otherwise, and the behaviour (or anticipations of behaviour) of others affects their actions. Nevertheless, this tells us nothing particular about leadership, for the same could be said for just about any other political actor.

When conceptualising leaders' strategic conduct, we also have to take into account the following, I believe**:** while acting, leaders are (or have a good reason to be) as concerned with the past and the future as they are with the present. James MacGregor Burns touches on this when describing executive decision making as 'a process, a sequence of behaviour, that stretches back into a murky past and forward into a murkier future' (1978: 379). The 'past' and the 'future' can safely be replaced, I believe, with polity and policy – the latter is understood in this research as an *institutionalised response to some administrative or socio-economic problem* and the former as the *rules and customs that set the formal or agreed upon possibilities and limitations to such response*. So long as we do not equate strategy with conflict and interpersonal interactions, leaders' efforts to *reinterpret*, *resist* or *instrumentalise* the rules and customs for the purposes of solving some problem of public concern can be considered as strategic behaviour. Under the umbrella of the concept strategy, therefore, this research explores a broader set of activities and situations, and by 'strategy' I mean strategies for controlling change, of which conflict situations and efforts to maintain power are but one set of components.

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[26] The idea that interpersonal dynamics create a strategic situation runs as follows: 'each actor's ability to further its ends depends on how others behave, and therefore each actor must take the actions of others into account' (Lake and Powell 1999: 3).

[27] For more on this see Ury, (1991).

Having said that, it is important to note here that this research does not equate 'strategy' with actors' intention or farsightedness. Habits and skills are also considered here as constitutive elements of strategic action (for a more detailed discussion on the relationship between habits and strategic conduct, see, for instance, Hay 2002). A few points are required here. As Laswell observed some time ago, leaders are rarely, if ever, representative of the average attitudes and norms of their society (1948: 380). Thus, from a leader's perspective, habitual action can be understood as being something that arises from *individual subjectivities* (as opposed to *collective consciousness)*. Second, skills are considered relevant for strategic action not in themselves, but in conjunction with the following. Leaders act with *awareness* of their personal capacities as well as limitations; namely, they will choose their ways and means, and often even their goals, so that their particular tool-set matters. For instance, if a leader is a good public speaker, he or she would see the strategy of 'going public' as a solution to the problem of resistance to change. Stated differently, *leaders are strategic actors not because they have the capacity to consider every eventuality but because they can see those eventualities in which their particular talents will become indispensable*.

The relationship between strategic action and institutional change is considered next. In this context, I will consider some aspects of the 'strategic choice models' (see Collier 1992) and the 'strategic-relational approach' (SRA) (see Hay 2002) and explain how and why this research converges or diverges from them. The reasons for such a limited theoretical discussion are simple enough. Both the SRA and the strategic choice models are efforts to relate structure and agency that are attentive to what happens during periods of significant institutional change**.** Both these theories internalise the idea that power (the level of fragmentation and centralisation of power) and rules (constraints on actions) acquire different properties during periods of normalcy and extraordinariness (see Jessop 2016: 85; O'Donnell and Schmitter 1986: 4***).*** However, the focus of each is on different dynamics of change. What happens in the *political arena* during periods of significant institutional change is well explained by the strategic choice models, and there is no need to reinvent the wheel. However, if we are to look outside the political arena and try, for instance, to relate leadership to processes such as ‘shift in policy paradigms’, these models would prove less useful. Here, the strategic-relational approach seems to be a more appropriate vehicle.

Strategic action and change (through the lenses of the strategic choice models and the strategic-relational approaches)

Although strategic choice models examine strategic actions (and interactions) in particular political contexts (reforms or transitions), whereas the strategic-relational approach is about strategic action in general, both theories converge in that they consider outcomes in politics as *structurally undetermined* and as being shaped, if not wholly determined, by strategic action (for the SRA, see Hay 2002:129-33; for the strategic choice models, see O’Donnell and Schmitter 1986:76).

Let me start with strategic choice models. Although the deductive reasoning typical of rational-choice theories is present, strategic choice models develop mainly through observation and analysis of transitions or reforms occurring in the Latin American region (Hirschman 1965 and 1971; O’Donnell and Schmitter 1986). These models focus on the different *choices* that present themselves to different groups or individuals involved, and on the overall *uncertainty* which characterises the processes of renegotiating or reforming the rules of the game (for a more detailed overview of the strategic choice models, see Collier 1992).

The distinctive appeal of this model lies in the claim that the process of redefining the rules of the game (regardless of whether that process takes the form of reform or transition) is driven by some rather well-defined rules, and that those rules arise from the nature of situation (as opposed to being pre-existent, that is to say, embedded in the given institutional constellations). From such a vantage point, strategic-choice models point to and, to an extent, explain certain regularities of institutional change processes. How the process of reforms begins as non-antagonistic and turns into antagonistic in its later stages and how other elite actors position around strategically and try to resist or transform the leaders’ change initiatives: these are timeless phenomena that the strategic choice models bring to our attention.

Although strategic choice models are an outlier in many ways (see Collier 1992), they do carry some typical elements of rational choice theory. ‘Strategy’ in these models is considered as being something that happens in the political arena. Namely, it is about persuasion tactics – e.g. trickery, deception, manipulation, intimidation, coercion, bargaining and ‘buying off’ –

but little more than this. In addition, these models do *not* deal with variances in strategies and their different effects. The possibility that different reformers, when faced with a similar situation, can pursue different strategies and that those different strategies can create alternative pathways of change is underemphasised here.

This is not inherently problematic for the model**.** Rather than dealing with the conduct and circumstance of the individual leader, strategic choice models deal with the predominant *groups* involved in the process of 'renegotiating' the rules of the game – i.e., 'hard liners', 'soft liners', 'radicals' and 'reformers' – and examine how their *struggles to acquire or maintain power* lead to the instalment of some new rules**,** that is to say, some new kind of normalcy. From such an angle, exploring additional complexities of strategic behaviour (looking beyond the short-term political calculus) seems redundant. From the leaders' perspective, however, the notion that strategic action is (only) about assessing what others will do and choosing the optimal strategy based on such an assessment is altogether unsatisfactory.

A few additional, problematic implications are worth noting here. Through the prism of rational-choice, every power holder and indeed every political actor engages in strategic action. In other words, the notion that strategy is available only to the powerful (Cuertes 1984) is far detached from such paradigmatic thinking. Also, if one weighs different considerations while acting (different from acquiring or maintaining office and unrelated to, for example, what others will do or say), they are not acting strategically. *It seems that strategic choice models do not provide a basis for distinguishing strategy from tactics and do not see a strategic situation in the absence of conflict.* Thus, from a leadership perspective, the strategic choice model offers an overly-broad and, at the same time, too narrow conception of strategy.

In this respect, the strategic-relational approach (Hay 2002; Jessop 2007) seems to be more attentive to the complexities of individual behaviour. Strategic behaviour here is about assessing the opportunities and constraints created by the rules, norms and customs and other impersonal forces. 'To act strategically is to judge the contours of the terrain', writes Hay (2002: 132). Jessop, similarly, considers strategic action in terms of 'strategically calculating structural orientation' (2007: 41). Stated differently, strategic individuals are not necessarily preoccupied with putting themselves in the other's shoes. Next, according to the strategic-relational approach, there are both strategic and non-strategic actors, and the difference between the two lies, in part, in their *perceptions* of the context. Over-socialised actors cannot be strategic in their actions, claims Jessop (2014). Last, according to this theory, within any given context (i.e. ‘strategic field’, ‘strategic situation’**)**, there is always *more than one* strategy available to the actor. Here, we arrive at the key point of divergence from the strategic choice models: the role of ideas. According to the SRA, ideas held by individuals about the context in which they find themselves determine their capacity to act strategically and, at the same time, determine *the way* they act strategically. There are two underlying assumptions here, I believe. First, ideas (which inform strategic action) are a function of *individual subjectivities* rather than a function of shared values, beliefs and norms. Second, ideas are not only constitutive of agency but of structure as well. The strength of those cultural and institutional frames is determined, in part at least, by one’s perception of their strength (see Jessop 2005:44 also 2014).

The central ontological presupposition of the SRA goes as follows: as social contexts are not objectively given, individuals *have to rely* on their ideas and understanding of the context while acting. This position harbours one plausible and one, in my view, less plausible idea. As Hay (2002 chap.6) notes, different individuals found in similar contingencies will act differently, even if they share similar interests or goals. In claiming that ideas are the *only way* for actors to access the structurally dense context**,** however**,** it seems that he also moves towards a more extreme position. According to Hay linking individual action directly to some environmental stimulus is always misguided.

This would be difficult to sustain as a general proposition. Not all environments are the same, and, as Leon Trotsky would say: ‘To a tickle, people react differently, but to a red-hot iron, alike’. Hay dismisses the notion that actors’ ideas sometimes ‘matter more’ on the basis that this represents ontological inconsistency. According to Hay (2002: 214-15), it is not that actors’ ideas sometimes matter more, but that they are *more apparent* in certain contexts (e.g., ‘crisis’ periods). At this point, it must be noted that this research is not interested in evaluating the role of ideas in shaping social reality per se but only because ideas are assumed to be constitutive of strategies of change. In other words, I deal with ideas because ascribing causal significance to strategic action (leader’s choices or their exercise of power) *logically* goes hand in hand with ascribing causal significance to ideas**.** By relating the two we must also recognise the following: given that strategies of change are *not* a constant presence in politics so too the ideas that inform those strategies are equally rare.

The relevance of strategy and ideas, I assume, is profoundly determined by the resources at disposal and by the general properties of the environment in which the individual leader finds itself. Ideas, for instance, relate poorly to leaders' conduct during *periods of institutional breakdown*. While there are no established routines within such contingencies to constrain the path, there is also *no platform* from where the state leader can act strategically. The case of Yeltsin and the reforms in post-Soviet Russia is a fine example of this. As one of his high officials noted, 'it would be a profound mistake to look for anything radical, transformative, or creative in our reform strategy. Our reform strategy was based on the dismal fact that the system had collapsed' (Mau and Starodubrovskaya 2001: 150). While it is evident that there were reforms under Yeltsin, they lacked the quality of strategy. As one observer would state: 'The reform of the country's state and politics was undertaken without any distinct strategy, that is, decisions were made from day-to-day rather than according to a systemic, unified, joint plan of action' (Mau and Starodubrovskaya 2001:187). In brief, those day-to-day problems were so profound that they were able to dictate the dynamics of change on their own**.** Institutional stability is also a poor candidate here, albeit for different reasons. (This is a realm where routine and established norm govern action and where there is no demand for, still less political consensus on, abandoning established routines and practices.) Leaders' ideas on change and their strategies of change warrant closer attention under the following circumstances. *Processes such as erosion of institutional identities and economic underperformance are visible but constrained. They are coupled with an elite consensus that the problems confronting the state are not solvable by normal measures (i.e., by following established procedures) as well as a widespread trust in the capacity and the willingness of the leader (who is usually a newcomer) to overcome them*. The next section considers in detail these contingencies.

2.3 Distinguishing reformism from evolutionary and revolutionary changes (and relating it to leadership)

'Revolutions are not made, they come', argued Skocpol (1979). If we were to replace the term revolution with evolution, Skocpol's argument appears, arguably, even better. With reformism, however, this line of reasoning exhausts its usefulness**.**

In the broadest sense, the scope conditions of interest here can be labelled as 'periods of significant change' (i.e. critical junctures', see Collier and Collier 1991:29). The focus is on *deliberate* efforts to induce significant institutional change. More specifically speaking, the phenomena of interest here can go under the name 'revolution from above' (Tucker 1992), 'grand political reforms' (Oksenberg and Dickson 1991**)**, or simply, 'reforms' (Huntington

1968; Hirschman 1958). Seen as a set of activities, the change processes of interest here can be defined as 'deliberate and sustained attempts at non-incremental change in the substance and process of government' (Goldfinch and 't Hart 2003: 3). The term 'reformism' is preferred here over the term 'reform' for two reasons. First, reformism is a less frequently used term than reforms, and, in that regard, it resembles the empirical referent used in this study. Second, the term reformism requires no special introduction in the context of communism – it stands for a certain *attitude* towards change that is distinguishable from both revolutionary radicalism and conservatism.

More importantly than the terminology used, we should note that the empirical referent here is one *infrequent* event. As Huntington notes, 'revolutions are rare. Reform, perhaps, is even rarer' (1968: 344**).** There are a dozen or so historical cases that are commonly considered within this category: the Meiji Restoration, De Gaulle's creation of the Fifth Republic, Atatürk's secular reforms and a few others, including the historical cases of interest to this research. Oksenberg and Dickson define what they call 'grand political reforms' along the following lines:

> Great political reforms fundamentally transform political systems by affecting four aspects: The relationship between the state and society; the relationship between the state and the economy; the distribution of power and authority among and within the constituent institutions of the state; and the relationship between the country's political and economic systems and the external world. (1991:238)

While the definition laid out above may be too rigid or too specific, the point made by the authors, that such processes are comprised of both deep and extensive changes, seems reasonable**.** From here, we can extrapolate the following. As political systems, generally speaking, lack flexibility so as to accommodate such a level of institutional change, reformist processes (from an institutional perspective) are highly irregular. Namely, the decisions on policy changes in such a context tend to occur outside the formal policy track and/or contradict established principles and constitutional parameters. Those irregularities in turn lead to a profound *uncertainty*. The general rule is that the more an action or act departs from the routine, the less trail of the established values it contains, the more uncertain the outcome becomes. While there are no certainties in politics, especially with regard to policy outcomes, we are dealing here with a kind of uncertainty and anxiety that makes the collapse of the economy and the whole political system a clear and present danger**.**

How do these processes end? According to Huntington (1968:363), they can end either by becoming a catalyst for a revolution or by becoming a substitute for it. How they begin and unfold is no less important. 'Whenever politics took an exceptional turn there seems to have been an exceptional policy issue at the bottom of it', writes Theodore Lowi (1972: 301), with reference to American politics. Regardless of the nature of the system, this emergence of some exceptional or extraordinary policy issue is an observable element of reformism. The second particularity, and one that chronologically precedes the emergence of the policy controversy, is a *political consensus* on radical change. The final observable point at the start of reformism is that all regimes assume, if only for a moment, the form of *enlightened despotism*. The reasons for this concentration of power are practical: the political consensus that change is necessary is accompanied by the realisation that reform needs organisation (Huntington 1968), or more precisely, some alternative form of organisation, and 'enlightened despotism' is, in essence, the simplest form of organisation.

Now, in theory, reformism seems distinctive enough. In real settings, however, delineating it from evolutionary or revolutionary changes can be challenging. Evolutionary changes, for instance, eventually reach 'tipping points' and turn into reformism or revolutionary changes. Additionally, the three processes overlap occasionally. As Hirschman (1963: 257) notes, the idea that revolution is violent, whereas reform is a peaceful process, has been refuted by history. Furthermore, these processes are not mutually exclusive – both evolutionary and reformist processes can exist simultaneously, although they operate on different levels. In other words, reformism does not stop evolutionary processes completely, it just adds one more layer to such processes. We will return to this point in the next chapter.

For the moment, it is more important to expose the *general* criteria upon which this research distinguishes reformism from evolutionary or revolutionary changes. Evolutionary changes are, by definition, processes with no overarching design or agenda (Goodin 1996). In contrast, revolutions are driven by a strict (political) agenda. As Lenin would state, 'we set ourselves the aim of abolishing the state'. Reformist projects, in contrast to evolutionary changes, have an overarching agenda; that agenda, in contrast to revolutionary changes, is invariably related to socio-economic development.

The reformist reasoning is that achieving socio-economic development is *not* predicated upon transforming the existing power relations (see Hirschman's *Journeys Towards Progress*). According to the Sovietologist Stephen Cohen,

> Reformism finds both its discontent and its program, and seeks its political legitimacy and success, within the parameters of the existing order. This distinguishes it from radicalism. The essential reformist argument is that the potential of the existing system and the promise of the established ideology – Marxist Socialism in the Soviet Union or liberal democracy in the United States, for example – have not been realised and that they can and must be fulfilled. The reformist premise is that *change is progress* (1995: 590; emphasis added).

Here it must be mentioned that reformism is as potent mode of change as revolution – it may involve profound cultural changes. What separates it from revolution is that change is brought under the guise of the idea 'it is just progress'.

What separates reformism from evolutionary changes is its dependency on individual action. Evolution, by definition, is a force independent of individual action**.** I do not wish to suggest here that evolutionary changes are agentless processes. Innovative actors exploiting institutional ambiguity is a common scenario through which evolutionary changes unfold (see, for instance, Thelen and Mahoney 2010). By saying that 'evolution is independent of individual action', I mean that it would be difficult to argue for action or actor *indispensability* for the occurrence of such processes. Contrastingly, within reformism, the fortune of the policies of change (i.e. whether a certain institutional novelty acquires value or stability, or not) is interwoven with the political fortunes of one particular individual**.** For instance, in the Soviet Union during the late nineteen sixties, Nikita Khrushchev's fall from grace resulted at the same time in the termination of the reform platform (see Thomson 1993). Similarly, in Chile during the early nineteen seventies, Salvador Allende's end was at the same time the end for the Unidad Popular project (see Hirschman 1975).

The characteristic features of reformism in relation to the other two modes of change are summarised in the table below.

Table 2.1. Delineating reformism from evolutionary and revolutionary changes

Type of change	**Enabling factor**	**Agenda of change**	**Role of individual leader**
Evolutionary change	Institutional ambiguity	Non-existent	Peripheral – leaders are not functionally indispensable for the occurrence or unfolding of such processes

Reformism	Consensus on change	Non-ideological (apolitical) – change is about socio-economic development; the process is envisioned as 'creative destruction'	Central – the fate of the reformist policies and the political fortunes of the leader are intertwined (reversible processes)
Revolutions	Popular support for anti-elites	Ideological-indiscriminate destruction of the polity and/or overthrow of the political establishment	Central/peripheral – the fate of the movement can be associated with the fate of its leader or not

Leadership is also a dimension in which we can differentiate revolutionary and reformist processes. The differences on this plane are subtle but no less essential.

While both the reformer and the revolutionary seek to *transform* the parameters of the possible and desirable of the system in which they act, the latter is confined to and dependent upon 'political mobilisation'. This is so because the revolutionary *lacks access to state resources* and, more importantly, has an enemy to point at (the state or the political establishment). In this respect, the *possibilities* that open to the reformer are quite different. The reformer (1) has access to and control over the state resources (information, media, laws, force, financial resources) and (2) acts under a consensus that 'doing what was done before is unsustainable'. An elite consensus on the issue of change, as mentioned, is the key antecedent of the reformist approach. The point here is nothing more than that the path of the reformer is less constrained than that of the revolutionary.

Huntington tries to differentiate the task and the conduct of reformer and the revolutionary along the following lines:

> The aim of the revolutionary is to polarise politics, and hence he attempts to simplify, to dramatise, and to amalgamate political issues into a single clear-cut dichotomy between the forces of 'progress' and those of 'reaction'. He tries to cumulate cleavages, while the reformer must try to diversify and disassociate cleavages. The revolutionary promotes rigidity in politics, the reformer fluidity and adaptability. The revolutionary must be able to dichotomise social forces, the reformer to manipulate them. (Huntington 1968: 345)

While Huntington's point is well argued, it should also be noted that some reformers prefer to advance their change agenda through promoting rigidity and polarising politics (they are usually labelled as ‘charismatic’ leaders). Thus, it would be more accurate to say that the reformer can *choose* between those two antithetical approaches, and precisely such an opportunity is what gives a distinctive hue to the phenomenon and allows us to differentiate it from some other forms of leadership.

Another particularity of reformism concerns the strategic situation in which the reformer finds himself. According to Machiavelli, ‘The reformer has enemies in all those who profit by the old order, and only lukewarm defenders in all those who would profit by the new order..’ (2006: 21). In other words, other actors are not as heavily committed as the leader in creating conditions for the success of the reformist policies. Instead, both the radicals and the conservatives would not mind seeing them fail. This goes both ways. By this, I mean that the reformer is not acting on behalf of any group –e.g. the elites or the people – but on behalf of those disruptive policies he or she chooses to support initially (I will return to this idea in Chapters 5 and 6).

Another dimension in which we can differentiate reformism from evolutionary or revolutionary changes concerns the *reversibility* of the processes.[28] Under reformism, *reversibility* of the institutional changes is a clear and constant threat. Leadership acts as a counterforce to that threat – if only because leaders, unlike other political actors involved in the processes, have a clear interest in seeing those reformist policies acquire value and stability. Thus, leadership is important for both the initiation and *preservation* of policies of change. We will return to this point further below.

The final peculiarity of reformism also relates to leadership and can be stated as follows: the conduct of the leader here *is not legitimised by the existing institutions and organisations but by their failures*.

What I mean exactly by ‘failure’ is detailed in the next section.

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[28] Part of the reasons why this research speaks of reformism rather than of ‘critical junctures’ is because the notion of critical junctures is related to the notion of path dependency. ‘Junctures are “critical” because they place institutional arrangements on paths or trajectories, which are then very difficult to alter’ writes Pierson (2004: 135). In this form, the concept of critical junctures, as broad as it is, still falls short of capturing the key features of the processes of interest here.

The structural preconditions of reformism

Reformist projects are preconditioned by some type of distress; a general dissatisfaction with the existing order which in turn leads to erosion of institutional identities.

These preconditions can be placed under the umbrella of the concept of 'crisis' – i.e., an unfamiliar situation that imposes a decision. [29]However, doing so will not work in the context of this research as it will possibly lead to some illogical arguments. Therefore, I will try here to be more precise regarding this 'enabling factor' by distinguishing between 'crisis moments', 'crisis narratives' and 'structural failures', while explaining how leadership relates to each of these phenomena.

Crisis moments

I will start here with 'crisis moments' as they are relatively easy to identify and delineate as a temporal phenomenon**.** Speaking in the language of path-dependency (if path-dependency is understood as 'what happens at time T+2 depends on what happened at time T+1 and T'), crisis moments can be seen as points in history where what happens at the exact previous moment nullifies certain long-term trends. For instance, in China after June 1989 the historical trend of democratic protests stopped. After that point, the intellectuals and the student organisations were no longer able to play a prominent role in China's politics. In the Soviet Union, after the August 1991 coup, the Party was no longer recognised as being the omnipotent presence that it once was. Now, the outcome need not result in the annihilation of one of the parties involved in the conflict. Consider the Cuban missile crisis: While no one won or lost here, there is a concrete timeline, beginning and end, and the outcome (i.e. the retreat of strategic weapons, followed by the signing of the non-proliferation agreement) is concrete. It can be said therefore that crisis moments are distinguishable from other phenomena to which we attach the label crisis, in that they carry that quality of *finality*; often in the form of the annihilation of one of the parties involved in the conflict. Logically, what leaders do during these moments can have a profound impact upon outcomes. Nonetheless, as history suggests, leaders *do not* act opportunistically during such moments – they do not try to 'stretch constraints', to amplify the perceptions of crisis or anything else along those lines**.** Instead, they react to the situation by trying to find the shortest distance from point A (i.e. radical indeterminacy) to point B (something more predictable). Thus, at the risk of stating the obvious, crisis moments are not about leadership. Leaders behave atypically during such moments.

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[29] Here I borrow Lasswel's conception of crisis (1948:262). The rationale behind the thesis that crisis empowers leaders is that 'crisis situations tend strongly to move the level of concerned official upward in the decision making hierarchy of government while situations in which the crisis threat is low tend to remain at lower hierarchical levels' (Grindle 1989: 230) .

Crisis narratives

Speaking in the language of variables, crisis is often treated as being a dependent variable in relation to leadership**.** It is ‘a socio-linguistic construct’, a mechanism (or strategy) by which leaders impose their authority over other actors and over the situation at hand. ‘The ability to construct and narrate the language of crisis is a key source of executive power’, writes Lodge and Wegrich (2012: 230; on crisis as being endogenous to leadership, see also Pappas 2008; Goldfinch and ‘t Hart 2003). From this functionalist and constructivist perspective, the term crisis or crisis narratives can acquire two separate, not necessarily mutually exclusive, meanings. Crisis narratives, from one perspective, are about discursive strategies aimed at preserving or expanding the power of political leaders. From another viewpoint, crisis narratives are tools by which political leaders challenge the status quo and promote radical change.

There is nothing wrong with the notion that leaders can advance change projects by acting both as the pyromaniac and the firefighter. Two details, however, warrant attention here. First, the *perception* of crisis is not necessarily a product of a purposeful act**;** changes in policies when they are plenty, poorly designed, or incompatible with some established norm can also generate a perception of crisis**.** Second, we should guard against the assumption that leaders relate to radical departures from the status quo *only* through crisis narratives. While ‘crisis narratives’ are a good indicator of the leaders’ intention to challenge the status quo, they could be a *poor referent* for this.

More importantly for the moment, we should note that the *opportunity* to engage in crisis narratives (or some alternative) is *preconditioned* by something more tangible. As Hay (1999: 324) argues, ‘failure provides the structural precondition for perceived crisis’.-

Failures

By ‘failures’ I mean unresolved problems which manifest themselves in the *operational* aspects of the state but have (or develop) deeper roots and thus pose a threat to the regime’s legitimacy.

This may include a diminishing capacity of the state to provide welfare, the rule of law (or some other basic or valued service). Failure may also manifest itself as an incapacity of the existing institutions to regulate conflict among political actors – something which leads to (or results from) some irreconcilable differences among those actors.

More often than not, 'failures' tend to have an economic dimension. Take for instance China after Mao's Great Leap Forward (1958-62). The failure of this state project to create self-sustainable dynamics in the economy undermined the belief in the viability, and therefore the legitimacy, of Maoism (see Lieberthal 1997). Yugoslavia after the death of Tito (1980) is another vivid example of a different kind of failure. The state here had lost its decision-making capacity. While it was evident that those new procedures and organisations, such as the rotating federal presidency, were too complex and were creating dysfunctionality in the decision-making processes, there was no opportunity to change this predicament through normal politics (for more on the Yugoslav model, see Seroka and Smiljkovic 1986; also Allcock 2000). This was so because, on one side, those new procedures (whether intentionally designed as such or not) came to be associated with some principles that were fundamental for the perseverance of the socialist system in Yugoslavia (equality among the Yugoslav constitutive nations). On the other side of this situation, the dysfunctionality of those new procedures was undermining the legitimacy of those 'core' principles. A type of complex, self-perpetuating problem had emerged here.

Failure as a structural phenomenon has two components: on one side there is the *inadequacy* of the existent policies and agencies to address some apparent problem – be it a problem of economic social or political nature – and, on the other side, there is what Mahoney and Thelen (2010:29) call the '*status quo bias of institutions*' (see also Pierson 2000). For various cognitive, social and political reasons, institutions, whether they are efficient or not, tend to reproduce themselves. From a political perspective, institutions are difficult to change and adapt to changes in their environment because they are *designed not to change*. When political leaders introduce some new policy or agency, for instance, they also try to make sure that their successors will not be able to overthrow such decisions (Pierson 2000: 262). They are also difficult to change because individuals within the institutions (organisations) tend to favour the status quo over the uncertainty that is inscribed in radical departures from the status quo (see Fernandez and Rodrik 1991). State institutions are prone to reproduction rather than change because they are not only functional tools for social problem solving but also manifestations of more fundamental norms which are forged during the formative moments of the state. There is no clause on those entities that says: ‘if this does not work, try something else’. Instead, they are rigid and unconditional in this regard.

So where does leadership come into this story? The issue with failures lies in the various forces that produce biases towards the status quo, and the challenge of crafting effective failure responses demands turning institutions from determinants of behaviour to objects of strategic action. Although the mechanisms by which this transformation is achieved are not reducible to political leadership, leadership is definitely part of this puzzle.

Leadership is capable of 1) providing an alternative frame of reference for action (than the one provided by the established values and norms) 2) breaking the individual biases towards the status quo – that is, dramatically and instantaneously affect the *preferences* of others for change and continuity. One of the mechanisms by which this is achieved is *personalisation of change initiatives*. To digress for a moment here, uncertainty about future incidence, as Fernandez and Rodrik argue (1991), produces a status quo bias among established institutional actors. As they are uncertain how and if they would profit from those new arrangements, individuals who occupy positions of power tend to favour the status quo. This calculus changes radically once the political leader expresses resolute support for a given reform that contains a radical departure from the status quo. In such a scenario, the question for other participants becomes ‘Do they support or stand against the leader?’ ‘Which action would put them on the right side of history?’ The risk-avoidance logic of supporting the status quo suddenly becomes not so appealing. The uncertainty as to who would actually profit from the proposed reforms becomes a second-order issue here.

Leadership also reduces the shock that radical departures from the status quo are capable of bringing for the state. Political leaders during periods of change have the potential to engage in authoritative value allocation and thereby fill the vacuum left by the erosion of institutional identities (for more on leadership as value allocation, see Sleznick 1957, Huntington 1971). Rather than drawing disapproval, the leaders’ non-compliance with the established standards and practices can be recognised as being potentially legitimate – i.e., reflecting the interest of the state and/or the will of the people. This opportunity to defy established norms, and at the same time the capacity for value allocation, means that *leaders can go beyond the accepted patterns of action and turn those determinants of behaviour into objects of strategic action without necessarily collapsing the existing order*.

Several clarifications are in order here. First, the task of leaders is not to solve concrete economic, social, or political problems – this is the task of policy experts – but to create *conditions*, to bring about a temporarily different 'logic of appropriateness' within which those problems could then become solvable. Second, and related to the first, rather than being just a vehicle for satisfying the personal needs of power seekers, or as constructivists often state, a storytelling or meaning-making phenomenon, political leadership has an *indispensable function* in relation to devising effective responses to structural failures. Here, I do not wish to suggest that the relationship between leaders and failures is mechanical – i.e. that leadership is about a narrowly tailored response to some specific unresolved problem. Instead, the point is that leaders open up possibilities for response to failures that are otherwise inaccessible and that failures enable leaders to interact with the institutional order in a way that would have been impossible in their absence.

I have tried here to distinguish among the following phenomena:

'Crisis moments' – short, abrupt episodes of 'radical indeterminacy' followed by concrete outcomes.
'Crisis narratives' – purposeful acts by which some political leaders try to impose their authority over the situation and open up the space for a radical departure from the status quo.
'Failure' – a contradiction created by the incapacity of the existing institutions to solve some apparent problem of social life and their inherent tendencies to reproduce themselves.

The decision-making dimension of reformism is considered next.

The decision(s) to reform and leadership

In light of institutional failures and a consensus on reforms, the decision to reform may appear as a simple, rational response. The decision to reform, from the perspective of the leaders, is a choice in presence of alternatives and it is not a one-stop decision.

Continuity cloaked as change, downplaying the seriousness of the situation, and other *stalling tactics* are open to the leader here. In democratic systems, for instance, leaders can retract to claiming 'legal powerless' and start playing the blame game (see Boin 2008). In non-democratic systems, leaders who are uncommitted to radical departures from the status quo will try to lower public expectations and urge the people to accept their predicament as normal or as some worthy sacrifice for some greater cause. For instance, in China after the Cultural

Revolution, the Party (Mao) promoted the 'cult of poverty'. ('It is better to be poor and socialist than something else' was the new state-sponsored narrative after it became clear that the economic woes were there to stay for China under Maoism.) While such stalling tactics are not without risks, they are, in the short-run, the safer choice for the leader.

Elaborating on the risks, the decision to reform entails a personalisation of power – and this is a choice in light of (safer) alternatives**.** The use of the term personalisation warrants some clarification here. In communist systems, where *the leader embodies the virtues and values of the Party,* one can say that power is personalised. In democratic systems, personalisation refers to the *intensive media presence* of political actors (see Camous 2010). Personalisation can also be understood as a process of institutional changes aimed at *strengthening the formal power of the leadership institution* **–** this is sometimes called the 'presidentialization of politics' (see Poguntke & Webb 2005). In the context of reformism, personalisation can be taken to mean something different but not necessarily excluding the other three.

It is a temporal concentration of power within a particular individual. It has to do with some '*unsolvable problem',* the *pledge* of the leader 'to do whatever is necessary' in order to solve that problem, and the *logic of appropriateness* that arises from such dynamics. [30] This in turn invariably blurs the lines between the leaders' persona and the policy change initiatives. As one member of the Gorbachev's team aptly stated, 'everyone understood that perestroika *is* Gorbachev' (Chernayev 2000: 162; emphasis in the original)**.** Herein lies the root of the risks for the reformer.

The fact that power is concentrated in the hands of the reforming leader (to borrow Huntington's 1968: 352 terminology), means that he or she will become a target (often, literally) for those with vested interests in maintaining continuity. Simply stated, some actors will come to see a radical departure from the status quo as being unacceptable, and some of them will tend to *believe* that stopping the leader – e.g. political assassination – will stop the train, so to speak. Reformers from de Gaulle to Zoran Djindjic had faced this predicament. The absence of such extremes does not improve the situation for the reformer by much. This is so because personalising power goes hand in hand with *personalising responsibility* for the consequences of reforms. If the reformist processes turn from organised into chaotic, and if some other actor – i.e. the radicals or the conservatives – takes over the momentum, the leader is the prime candidate for becoming a scape-goat.

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[30] The leader's effort to rely on some relatively arbitrary criteria while acting here has to be understood in the context of (1) institutional failures undermining institutional identities and 2) the existence of some kind of agreement on elite level that some alternative to the existing arrangements is necessary.

Considering the personal risks involved and the appeal of the alternatives, it remains unclear why someone in a position of power would decide to pursue or maintain a reformist course**.** It can be argued that leaders do not see their predicament with the same clarity as one can from a distance. Hirschman, for instance, argues that 'the reformer sets out after his reforms blissfully unaware that the ruling class will never allow this or that antagonistic measure to pass or to become effective' (1963: 271). Unawareness may well be a factor. How a leader was able to recognise some window of opportunity or display political mastery is a reoccurring theme in the literature on reforms. For instance, Huntington (1968) would go as far as to say that reform is rare since the political talents to make it into reality are rare. Naiveté and such talents do not go hand in hand, I believe.

Furthermore, altering policy paradigms and institutionalisation of new norms is never a 'one-stop' decision. Leaders have to opt against preserving the status quo at least one more time (usually two or three years after the initial decision to reform has been made**).** *The second decision occurs in the absence of an elite consensus on reforms and the presence of profound conflict* – as conflict invariably arises during the policy implementation phase. If, as Hirschman argues, leaders are unaware of the obstacles and threats while making the initial decision to reform, unawareness cannot be a factor in their subsequent decisions.

Through the prism of leaders' decisions, therefore, reformism is constituted of repeated actions against the status quo. The sustainability of reform initiatives is dependent upon the willingness of the leader to act decisively against the status quo amidst uncertainty. Actors who make such decisions are capable of acting strategically (if we recognise that one's awareness of the terrain one inhabits is a precondition for acting strategically) and capable of making decisions (or choices) that fall outside conventional rationality.

So far, the conceptual and theoretical discussion was not so much about leadership per se but instead about the features of the settings and requirements or opportunities for action that arise from them. The next section deals with leadership more directly.

2.4 Considering (reformist) leadership as a deviation and contingency

Two complementary lines of reasoning on reformist leadership are developed in this section. First, routine acts are not acts of leadership. Leaders try to steer the processes of change through planning and deviation – both of which are, by definition, non-routine activities. Second, what leaders do in the context of reformism acquires importance not only for its direct effect over other actors but also as a contingency.

The concept of power is used here as a proxy in order to develop the idea of leadership as a contingency. The two concepts – political leadership and power – follow somewhat different trajectories within political science. Scholars who examine power acknowledge each other's conceptions; they develop their ideas while in communication with each other (if not directly collaborating), and this, over time, comes close to 'knowledge building on past knowledge'. The work on the concept of political leadership seems more disjointed. Despite those different trajectories, leadership and power remain firmly related, both ontologically and conceptually. Leadership, whatever else is said about it, is 'manifestly and essentially a phenomenon of power' (Blondel 1987). It is 'a special form of power', according to Burns (1978:6). Accordingly, whatever is said about power applies unambiguously to leadership.

'Power' most commonly refers to domination in interpersonal relationships. As Rusell initially would state, 'A has more power over B, if A achieves many intended effects and B only a few'(1938: 23). Dahl's definition is similar, though more restrictive: 'A has power over B to the extent that he can get B to do something that B would not otherwise do' (1957). Within this frame, the emphasis is placed upon the decision- making aspect of politics and, according to Hay (2002), power here 'is not so much about the capacity to affect outcomes but to dominate others in so doing'. Power is also commonly conceptualised as an agenda-setting phenomenon (Hay 2002:174; see also Bachrach and Baratz 1962). The attention here is on what happens *before* the decision-making moment and *outside* the formal decision-making arena, while both action and inaction, or decision and 'non-decision', are placed on equal terms. The next conception of power is more problematic and arguably more intriguing than the previous two. Lukes (1974) identifies certain shortcomings of 'decision-making' and 'agenda-setting' perspectives, while emphasising the 'preference-shaping' face of power. The focal point in his frame is placed on how the powerful manipulate the wants and needs of the powerless (see also Hay 2002: 168-193). These three conceptions of power are not mutually exclusive; more importantly for the purposes here, they are neither jointly exhaustive.

While building on Lukes' conception of power, Hay (2002:184-187) makes the following points: first, power should not be conflated with culpability or responsibility; and second and third, power is about both conduct- and context-shaping capacity of actors and the former is, in essence, a sub-type of the latter. Power, as defined by Hay, is 'the ability of actors to "have an effect" upon the context which defines the possibilities for others [and for themselves]' (2002: 185; 1997: 50). It is 'the capacity of actors to redefine the parameters of what is socially, politically and economically possible' (Hay 2002: 74). While remaining simple enough (there is nothing complicated about the notion that power produces both direct and indirect effects and that it is both context- and conduct- shaping phenomenon), Hay's conception brings out certain complexities of power which seem to go under the radar with the decision-making, agenda-setting, and preference-shaping perspectives. Namely, Hay (2002:186) posits that the actions of A also have an indirect and non-instantaneous effect over the conduct of B; and that the exercise of power constrains the subsequent actions of those who exercise it**.** No less importantly, with Hay's conception of power, making assumptions about the insidious motives of those who exercise power or the real interest of those over whom that power is exercised is redundant. Although Hay does not explicitly state this, his conception of power, to my understanding, implies that the exercise of power and planning in politics are inexplicably related. (For planning is a future oriented activity and it has more to do with reducing uncertainty than with subverting the interests of those over whom power is exercised.)

Although the conceptions of leadership within political science follow the conceptions of power closely, [31] a corresponding definition or conception that recognises leadership as a form of indirect power, or as both a context and conduct-shaping phenomenon, is missing. One notable exception to this is to be found in Samuels' book *Machiavelli's Children*.

Samuels (2003:18) tries 'to marry leadership to the great forces that constrain it'. He explores how 'leaders often construct contingency in ways that defy nominal structural constraints' (2003: 349). Two peculiarities warrant attention here. First, Samuels does not equate contingency with accident or chance but considers it as being something that arises from the deliberate choices of political leaders. Second, he considers leaders' choices as oriented towards and having effect over structures. Although Samuels does not try to explicitly relate his ideas on leadership to some concept of power, his notion of leadership as contingency aligns well with Hay' notion of power as a context-shaping phenomenon. He also makes the important leap from conceptualising (the exercise of) power as something that leaders do to others (manipulate preferences, dominate or prevent others from fulfilling their interests) to something that alters structures and creates contingencies for future choices. Brings planning- which is understood here as a *non-routine* activity aimed at shaping *future* interactions of actors - within the orbit of power and leadership.

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[31] The notion of power being a preference-shaping phenomenon aligns with the charismatic and transformational perspectives on leadership . The notion of power as a decision-making and agenda setting phenomenon is also used extensively by scholars who deal with political leadership (see Sorensen 1963: 6;Blondel 1987). However the variety, it seems, stops here.

To summarise, *leaders do not only interact with other individual but also set the conditions within which other actors (individuals, groups and organisations) interact; that is what separates it from other forms of agency. The context-shaping definition of power resonates better than the more popular alternatives with such realities.*[32]

Let me now turn from the idea of leadership as an indirect (context-shaping) form of power to the idea of leadership as a deviation from norms and/or expectations. Blondel's view on political leadership is used here as a vantage point. He defines leadership in the following terms: 'the power exercised by one or a few individuals to direct members of the nation towards action' (1987: 3). In addition, he argues that:

> What differentiates the power of leaders from other forms of power is not so much the nature of the relationship between the leader and the rest of the nation but the fact that, in the case of leadership, the ' A ' who gives the order, who has power, exercises this power over a large number of ' B s ', that is to say, over the whole nation. (Blondel 1987:3)

This is in line with Dahl's conception of power. However, there is a minor twist. Basically, Blondel is arguing that what differentiates power exercised by political leaders from that exercised by other actors is simply a 'matter of degree' issue. ('A in this case exercises power over a large number of B's, according to Blondel). Although Blondel correctly notes that leadership is a form of power that is both concentrated and change-oriented, he places perhaps too much emphasis on political mobilisation. This arguably is a weakness of his definition if we take into account that the function of definitions is to point some distinctive feature of the phenomenon of interest. Other actors in politics (revolutionaries or leaders of social movements) can also 'guide members of a nation towards action', and they can do so arguably much more effectively than state leaders. If anything, they operate under much less restraint in mobilising new political participants (Huntington 1968: 355). For another thing, if we recognise that political mobilisation is, in essence, a means to an end – that end is provoking some policy change– then we also have to account for the possibility that state leaders, as they are also key policy actors, can achieve those ends *without* resorting to political mobilisation.

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[32] Although the context-shaping concept of power might appear as not that different from the agenda-setting concept of power, this is not the case. The former is less restrictive than the latter in that it does not reduce the exercise of power by state officials to conflict situations, and it does not make specific assumptions about the motives and interest of those over whom power is exercised (see Hay 2002: 176-8).

Blondel's definition, therefore, emerges as both too restrictive and not restrictive enough. Thus, considering some other referent while conceptualising the phenomenon – something that would not exclude political mobilisation – may be warranted.

The notion of innovation is often used in order to draw linkages between leadership and institutional change (see Samuels 2003; Sheffer et al., 1994). This, in my view, is a 'near miss'. Innovation may well occur during periods of normalcy, as it has 'institutional ambiguity' as a prerequisite; moreover, as the literature on entrepreneurship has taught us, leaders are not the only actors who get an opportunity to challenge the status quo by being innovative. As an alternative, Hirschman (1970) introduces the term *deviation* while trying to draw linkages between the conduct of leaders and institutional change. While Hirschman is not known for his work on political leadership**,** he remained committed to observing and analysing development projects (i.e. reforms) throughout his academic career. Arguably, he has done more than any other social scientist for revealing the different underlying mechanisms that shape such processes (1958; 1965; 1973). Hirschman identifies leaders' deviation from norms and/or expectations as being one of those change mechanisms.

Hirschman (1970:933) proposes here that we consider 'average beliefs, attitudes, and perceptions that prevail not only in the community at large, but also among its elites. One could then inquire whether and how leaders are liable to deviate from these averages and try to define leadership in terms of such deviations'. Leadership', he writes, 'is a deviation from the average attitudes and perceptions' (ibid.). While this reasoning is not without its problems, for the moment, let us focus on its distinctiveness.

Perhaps an example will serve to better illustrate that distinctiveness. Hirschman's own work is a fine example of what he calls deviation. To the theory of 'balanced growth' (aka the 'big push' approach), a popular theme during the decades of the fifties and the sixties of the past century, he responds with the notion of 'unbalanced growth' (1958, 53-4). To the notion of leadership as 'charisma', a popular theme during the late nineteen sixties, he responds with the idea of 'skills-based' leadership (1970). To the idea of paradigms as being prerequisites for understanding social phenomena, he again responds with the idea of paradigms as a hindrance to understanding (1984). Thus, Hirschman is in the business of validating ideas that are challenging or subversive in relation to the cannons of the day. This is a close approximation to what leaders do in the context of reformism.

This analogy can only take us so far. In politics, the strength and appeal of those established norms is inescapably and almost instantly affected by leaders' interpretations of them. Moreover, given that leaders are seen as representatives of both the interests of the state and the will of the people, their deviations from established rules are *emerging rules* themselves (but not necessarily a point of profound conflict or resistance).

I do not advocate here that we reduce leadership analysis to a blind quest for deviations; rather my point is that, if we want to consider the phenomenon in terms of its distinguishing features, deviation may be a more appropriate term than innovation.

Before concluding here, I must point to two (analytical) problems when we equate leadership with such non-routine acts or actions. Evidently, leaders cannot escape from performing certain routine tasks, and through them, we can observe the influence of history, tradition, culture, and, conversely, explain leaders' behaviour in terms of such influences. In comparison, non-routine action appears as more elusive, incidental and therefore less worthy the attention of the social scientist.

Analysing the effects of non-routine acts poses another set of problems. With change initiatives that emanate from within the state, there is always some political context or some feature of the established institutions that exists independently of leaders and affects the dynamics of change, sometimes even through the leader. Finding some plausible general criteria for considering the leader's impact on political dynamics of change alongside and independently of those forces is also a necessity. Here we run into the temptation of considering only those actions that are fundamentally at odds with conventions, rules and expectations. This is a fine strategy so long as we forget that the purpose of leaders is also to impose elements of order to change processes.

Thus, there are two issues with equating leadership to such non-routine acts or actions: 1) reducing leadership analysis to a descriptive account of incidents and 2) neglecting the order creating purpose of leadership.

The challenge when dealing with non-routine action is not in detecting its existence (or its effect) but in putting it on equal footing with routine action; meaning, identifying the calculus or the logic that leaders adhere to when deviating from the established norms, detecting patterns in such actions and/or showing that such action belongs to the systematic aspects of the change processes that interest us. In other words*, we should focus on those non routine elements that can tell a coherent story of institutional change*.

Conclusion

By theorising on structure and agency, and conceptualising reformism and reformist leadership, this chapter develops the theoretical foundations for the subsequent empirical analysis. Reiterating some of the key points raised here.

*Structure and agency***.** The two theoretical perspectives considered here, the 'strategic choice models' and the 'strategic-relational approach' (SRA), carry a certain appeal for studying the interplay between structure and agency during periods of change for entirely different reasons. The value of the former lies in the fact that it reveals a set of laws that govern the processes of institutional redesign (the model gives an accurate approximation of the interplay between elite groups preferences and uncertainty). Nevertheless, the strategic choice model does not provide a basis for differentiating tactics from strategy and it reduces strategy to conflict situations and interpersonal dynamics. The SRA is appealing because it builds upon one commonsense proposition: that individuals interact with rules and not just with other individuals and that the strength of those rules depends on one's (positional) power and one's perception of their strength**.**

The strength of each of the two perspectives is understood here as purpose relative. On that note, this research is interested in systematically exploring of *interactions* between institutional/policy changes and the leader's exercise of power. This requires that we free the analysis from the over-constraining assumptions on strategy, choice situations, and choices. Two things warrant attention here. First, the idea that there is more than one way to act strategically within a given set of circumstances is antithetical to the material and essential to the ideational perspective on structure and agency. Second, dealing with strategies of reforms, but without reducing them to their political dimension (i.e. conflict situations), or dealing with choices, but without reducing the context of that choice to the 'preferences of others', is something with which the SRA aligns better. While this analysis does not completely ignore the dynamics of interactions between the leaders and other actors, those relationships are treated here as triadic; as being shaped by the policy decisions and policy performance.

Furthermore, for the purposes of this research, making strong causal claims about the causal link between the political context and the leaders' behaviour (e.g. detecting the narrow political logic that governed leader's action) seems redundant. The strategic relational approach, in contrast to the strategic choice model, permits remaining more agnostic about the nature of those links.

Lastly, as this research focuses on interactions, it does not separate its units of interest into dependent (say, policy changes) and independent (say, leader's exercise of power) variables**.** Rather than determining the causal impact, the purpose here is to create a dynamic analysis of the policy/institutional change processes; also, to create a coherent but distinctive story of the reforms of interest and their variances. Examining the complexities of interactions instead of testing the relationship between variables is a task that aligns better with the SRA than with the strategic choice models.[33] This research, therefore, leans towards the ideationalism of the SRA for pragmatic rather than ontological reasons. [34]

Reformism. The key point raised here is that reformism is not a half-point between revolution and evolution, although it has been frequently conceptualised as such. Instead, this mode of change has a set of distinctive features, some of which are antithetical to evolutionary changes, others to revolutionary changes, and others still to both evolutionary and revolutionary changes. Instead of institutional ambiguity, or the emergence of a powerful anti-elite, the platform for radical departures from the status quo within the context of reformism comes from the *consensus* on and the expectation for change to occur**.** Reformism differs from the other two modes of change for its reversibility**.** Evolution, and probably revolution, can be characterised as irreversible processes. In contrast, when it comes to reformism, history is filled with examples whereby the reformist gains are lost, just as the mandate of the leader ends abruptly. Reformism also differs from the other two modes of change in that it requires that the state leader takes specific steps, one of which is choosing against the preservation of the status quo on more than one occasion.

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[33] To put this in broader terms, this research employs constitutive rather than causal logic (for more on the constitutive see Parsons 2008: 98-108; also Hay 2002). Why someone did something is a second-order issue here; this research is more interested in answering how type questions.

[34] The rational choice perspective on agency is not completely omitted from this inquiry. The behaviour of other individuals and groups (e.g. conservatives and radicals) involved in the reforms in China and the Soviet Union is considered here through the lenses of rational choice; it is also understood as reactive and tactical rather than strategic in nature. Behind this double standard is the assumption that efforts to acquire power during moments of change and uncertainty and the exercise of power (something that leaders in their role as reformers do) are rather different forms of agency.

Reformist leadership. In the last section, I have tried to conceptualise reformist leadership by looking past the interpersonal relationships (and political mobilisation) as empirical referents and by considering the relationship that leaders form with rules, standards and similar elements. In this context, I have considered the idea of leadership as a complex of two types of non-routine activities: 1) planning and 2) deviation from norms and standards. Deviation does not exclude political mobilisation in so much as we recognise that political mobilisation is also a disruptive act (the rationale behind political mobilisation is that certain legitimate demands cannot be realised via the normal channels of politics). Nevertheless, political mobilisation is but one way (and the least subtle one) for challenging the status quo. ‘Deviation’, as it is used here, differs from innovation. Innovation is about taking actions that the existing institutions neither explicitly forbid nor prescribe. Seeking obvious but forbidden solutions to administrative and socioeconomic problems can be better understood as deviation rather than innovation.

The gist is not that leaders engage in deviations from rules and norms, but that they grant some temporal flexibility to the existing political order so to be able to accommodate such deviations. In other words, it is the duty and responsibility of the reformer not only to challenge the status quo but also to secure normalisation of those politics and practices that were initially at odds with established values, norms, or rules. This perspective brings two analytical implications. One, if we must consider leaders as being agents of something or someone, then it makes sense to consider them as agents of those controversial policies that they themselves endorse initially. Two, within the context of reformism, it makes sense to measure the leaders’ successfulness in terms of normalisations of deviations from norms or a failure to do so.

On a last note here, a discussion of the particularities of socialist systems was deliberately omitted in this chapter. The reasons for this omission are simple. If we accept that reformist projects have some basic features that preserve integrity, regardless of the nature of the system, then theorising and conceptualising them without an extensive reference to some particular political/ historical setting is permissible and even desirable. This is not to suggest that this research ignores the particularities of socialist systems, or those of China and the Soviet Union, altogether. However, such components will be treated here as being something that adds an additional layer of complexity, as opposed to something that profoundly changes the dynamics of the situation for the reformer.

The next chapter shifts the focus from theory to methodology.

CHAPTER 3

Methodology and focus of analysis

3.1 Introduction

This research examines Deng's era and Gorbachev's era reforms in their generalities; and, at the same time, it tries to engage with the complexities of those reforms. It is also equally interested in analysing the events as well as the inferences about those events produced by mainstream social science. Hopefully, the previous two chapters have established why it is necessary to look in those four directions. The purpose of this chapter is to show the synergy between those aspirations on a methodological level. As such, the pages below deal more with methodology rather than with methods. More precisely, rather than detailing data sources, collection procedures, and observational units, this chapter considers the (core tenets) 'paired comparison strategy', its distinct epistemological underpinnings, and shows how they inform this inquiry.

The next section introduces the cases: it elaborates what is prioritised and what is excluded from the analysis of Deng's era and Gorbachev's era reforms. The subsequent section considers the advantages of assessing the conduct of Deng and Gorbachev as reformers on their own terms, while also arguing that such an approach does not stand in the way of considering the processes of institutional change in China and the Soviet Union in their generalities. The last section explains 1) the analytical framework for comparing and analysing the cases and 2) the decision to rely on secondary sources while analysing the cases.

3.2 Explaining the methodological approach: why the paired comparison is favoured over the case study method

Two well-established methodologies are suitable for explorative studies: the 'case study' (see Gerring 2009; George and Bennet 2008) and the 'paired comparison'(also known as the 'controlled comparison'; see Tarrow 2010; Slatter and Zibllat 2013). The pages below elaborate upon why the latter is favoured here.

Paired comparison, according to Sidney Tarrow (2010), is an often used but seldom theorised analytical strategy. The strategy stands for a 'balanced combination of descriptive depth and analytical challenge' that uses 'the leverage afforded by the difference and similarities of comparable cases'. The method differs from 'large-N analysis' in that it provides 'an intimacy of analysis' and, as such, it can be said, it is more useful for *comparative studies that favour theoretical complexity over parsimony*. It differs from the 'case study' in that it allows one 'to compare the impact of a single variable or mechanism on outcomes of interest' (ibid.). 'Compare the impact', rather than explaining particular outcomes, is the key term here**.** Controlled comparisons (i.e. paired comparisons) usually do not seek to explain particular outcomes, but instead a variance in outcomes, or variance in whatever else is taken as a focal point of interest (for more on this, see Slater and Zibllat 2013).

Both the case study and the paired comparison are intermediate steps towards generalisations, suitable for studies that value descriptive depth and have exploratory goals. The two methods diverge in their assumptions about *the role and appropriateness of comparisons as an analytical tool*. Tarrow argues that 'one of the serendipitous virtues is that it [the comparison] allows a better understanding of the primary cases investigated' and that the benefit of the paired comparison is that it produces doubly useful observations (2010:248). In contrast, Gerring, one of the masters of the case study method, stresses that cross-case analyses 'often have little to say about individual cases' (2009: 106).[35] According to Gerring, *cross-case*

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[35] It is not that comparisons or multiple case investigation is beyond the scope of the case studies method; however, implicitly (Yin) or explicitly (Gerring 2009), the suggestions here move towards single case studies. Furthermore, according to Gerring whether we use one or multiple cases (but no more than ten) should have

analyses deal with well-defined concepts and problems (or treat social phenomena as if they can be represented through a fixed set of definitions and variables) and are not particularly revealing or adept at providing insights into the actuality being investigated. Case studies do better in terms of creating more realistic accounts of social phenomena (Gerring 2009: 106).

Creating a division of labour among social science methodologies is perhaps needed. Nevertheless, it is far from clear, to me at least, that comparative works 'toil in the prosaic but highly structured field of normal science'(Gerring 2009: 99) or that the case study method – defined by Gerring as being a 'study of a single case'– is the best method for explorative studies (Ibid.: 100). It stands that exploring the complexity of a given phenomenon cannot be divorced from intensive within-case analysis. Nonetheless, thinking in terms of 'opposites' or 'near misses' (be they theoretical constructs or real-life examples) can be useful for understanding the particular features of the phenomenon under investigation**.** For example, relative to the other initiatives of perestroika, Gorbachev's 'formal-legalistic' approach to policymaking seems like a less important (less consequential) peculiarity**.** When placed in comparative perspective, and contrasted with Deng's 'pragmatic-entrepreneurial' approach to policymaking, and when the cross-case variance in the performance of the reformist policies is taken into consideration, Gorbachev's policy approach gains a more considerable analytical appeal (for more on this, see Pei 1994).

In contrast to the case study, the paired comparison reasoning is that capturing the complexity of social reality and identifying patterns can be complementary tasks. Paired comparison is inductively developed methodology – Tarrow (2010) calls it 'a theory of practice'**.** Combining quantitative and qualitative analysis, moving from the micro to the meso- or macro-level of analysis, and allowing for the abstract and the concrete in research to interact in an unconventional manner is somewhat encouraged by this methodology**.** The reasoning behind this seems to be that 'the problem should determine the method; not the other way around' (Tarrow 2009). The assertion that 'the problem should determine the method', to my understanding, is not a simple truism or an open invitation to adopt a 'whatever works' approach for the sake of making 'useful observations'. Instead, it is an acknowledgement that the social world is complex enough that the 're-constructed logic' suitable for investigating one phenomenon or one set of conditions (for example, group behaviour and politics during periods

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little bearing on what we can achieve with our research . In contrast, Tarrow argues that the moment we jump from one to two cases we move from hypothesis-testing to hypothesis-generating logic.

of normalcy) might not be suited for investigating another (e.g., individual action, politics and policy dynamics during critical junctures periods).[36]

On such a note, political leaders are sometimes seen as figures who engage in 'gambling with history' (see, for instance, Barrett 1983; also, Dror 1993). If we wish to investigate this dimension of leadership, we must violate the well-placed principle which states that we should not jump from a micro-level analysis to macro-level inferences. Next, seeing leadership through a comparative prism usually requires taking some unconventional steps. It is not that leadership is inherently less comparable than other social phenomena; instead, the issue is that leadership refers to something concrete enough (as leaders' behaviour, their position and the temporality of their roles and functions can be observed) so that the imperfections of the effort to establish equivalence among two or more leaders are *easier to detect*. For instance, in the context of comparing Deng and Gorbachev, the following difference stands out. In Gorbachev's case, there is a significant overlap between *de jure* and *de facto* power. In contrast, *de jure* power is rather irrelevant in Deng's case – at no point does he occupy the formal leadership post in China. Thus, in order to compare the two, we must look past the usual and well-founded assumption that leadership implies a formal position of power and instead seek some other referents. In order to accommodate such realities, we could say here that 'a leader is someone who is recognised as such by his peers, for whatever subjective or objective reasons'.

Using ad hoc criteria for establishing equivalence seems problematic with regard to achieving external validity. However, , according to Slater and Ziblatt (2013), as long as we discuss the cases of interest in terms of general variables or mechanisms, and as long as we are dealing with *representative variations*, achieving external validity is not an issue**.** This research tries to meet both criteria.

Choosing the paired comparison has also made sense for the purposes of this research due to the following**:** The paired strategy is most efficient when the number of (main) cases examined is two; more than two and the analysis becomes somewhat diluted as 'the 'number of unmeasured variables increases' (Tarrow 2010). From here, this research preference for the paired comparison strategy should be apparent. Next, this research's viewpoint on the reform processes in China and the Soviet Union is narrow in focus and specific in intent. The focus is on: (a) the state reinvention efforts (b) the leaders' efforts to exercise control over those processes. The research aims are also straightforward: to *highlight the variances in Deng's and Gorbachev's efforts to control those processes of change and infer based on it. Examine how the relationship between leaders and institutional change is typically treated in the social science literature on Deng's and Gorbachev's era reforms and develop some general arguments based on the findings.* To reiterate the broader issues of interest here: this research revisits the idea that the purpose of leaders is to add order to change (Selznick 1957). In addition, and more importantly, it also draws attention to the fact that mainstream approaches are incompatible with such an idea.

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[36] In this regard, the paired comparison strategy seems to rely on pragmatic understanding of social reality.

At the same time, this research does not ignore the fact that the variance in strength of national movements across the two countries, different degrees of integration of the society into the state, cultural particularities, and a few other variables that operated in parallel to leadership and affected the variance in the dynamics of change (and outcomes) across the two cases. This is not necessarily a hindrance to this research. To compare is to control, as Sartori would note (1970), and if leadership is indeed a general phenomenon, and if leaders do exercise a certain degree of independence from circumstances in their role as reformers, then such factors can be controlled for.

The method of paired comparison is used here in conjunction with the technique of 'structured and focused comparison' (see George and Bennett 2010: 67-73). Although George and Bennett do not state this explicitly, their technique seems to complement the paired comparison strategy well. The key guidelines of the structured and focused comparison technique concern the use of questions in our inquiries. Questions applied to the cases of interest should be *standardised* (i.e., the same questions should be asked across different cases) and preserve broader applicability. Namely, the analysis of the cases should 'not be couched in specific terms, relevant only to the cases', according to George and Bennett (2010: 86). While questions should be general, a 'mechanical approach won't work'. Instead, questions 'must reflect the theoretical framework and objectives and focus of the research' and be attentive to the important idiosyncratic aspects of the reality investigated (Ibid.).

Devising questions that satisfy all three criteria (i.e., questions that capture important idiosyncratic aspects of the cases, while preserving a general applicability and remaining theoretically informed) is not an aspiration of this study. The technique is treated here as a useful guideline, as opposed to a set of rules to be strictly followed**.**

3.3 What are the cases: what aspect of the reforms in China and the Soviet Union are observed and analysed by this research

This research has some non-standard motives for comparing the reforms in China and the Soviet Union. Instead of explaining the outcomes in each case, the primary goal here is to explore and compare the non-random (and non-routine) aspects of those processes through the prism of leadership. In other words, the focus of observation on a cases level is *not* on changes occurring by accident or by evolution, but by design. This is not to imply that the transformations in China and the Soviet Union were brought about exclusively by a purposeful leader's activity. Accidents, the conduct of other actors, political context and the features of the institutional arrangements had a significant role to play in shaping the reformist processes and outcomes in each case. We cannot suggest, moreover, that the leaders in question had an exact blueprint of what exactly they wanted to achieve and how to go about it. Deng and Gorbachev were in charge of some of the most complex state projects in human history, and to claim that 'they had it all pre-planned' while acting as reformers is to assign to them some type of superhuman capacity. 'Design' here only denotes that the leaders in question were *consistent* in (1) emphasizing certain aspects of the vicious problems they were trying to solve while also ignoring others (material and normative sides of the problem of socio-economic development were treated differently by the two leaders); in (2) promoting certain new developmental principles while rejecting others as incompatible with socialism (Deng saw market mechanisms as being essential to developing socialism and liberalism as essentially incompatible with socialism; with Gorbachev, the opposite is true); and in (3) favouring certain policy approaches over others (Whereas Deng was always concerned about the *practical feasibility* of the policies of change, Gorbachev was more concerned about their *appeal*).

A few words now regarding the usage of the term design here. This inquiry is concerned primarily with 'policy designs'; such phenomena are considered here both as a blueprint and as a process**.** To use some basic, theoretically neutral terms, 'policy design' usually refers to the elements of coherence and cohesiveness – where the former is understood as having some *overarching logic that anchors the policymaking decisions* and the latter as being a *temporal or spatial consistency of policy action* (see Wildawski 1979). The analysis in the empirical chapters, in essence, explores 'How the two leaders of interest had affected the coherence and cohesiveness of the reformist policies?' (Also, 'How this relationship is misrepresented in the theory-informed literature on the cases?').

As the terms coherence and cohesiveness have an overlapping meaning and are often used interchangeably, it is important to be clear about the meaning of each in the context of this research. In institutional analysis, coherence logically relates to policy paradigms (Hall 1993); the policy paradigm, in turn, analytically (if not ontologically) can be understood as being a *frame* rather than a process. Cohesiveness, on the other hand, logically relates to 'institutionalisation'; which in turn is a process (both cognitive and historical), or 'something which takes time'.

Policy designs vary in quality. 'A well-designed policy', according to Goodin (1996: 34), 'is one which fits well with the other policies, and the larger political/economic/social systems in which it is set'. A poorly designed policy is one that lacks such qualities. As the cases of interest allow for, this research deals with both poor and good designs. Chapter 6, for instance, details the incohesiveness of the policies of perestroika, and identifies its sources and its effect over the outcomes of perestroika.

From an agency perspective, policy design, crudely stated, can have two contrasting sources: centralised power, or the fragmentation of power. The elements of design are considered here from the perspective of centralised power. The reasoning here is that focusing on leader's speeches is a simple, commonsensical approach for revealing the contours of the new policy paradigm. We may argue here about whether leaders are just the messengers or something more in relation to shifts in policy paradigms, but this matter cannot be settled in theory, but empirically. Concerning institutionalisation, the reasoning here is that focusing on leaders behaviour is a simple method for revealing whether a certain policy is pursued consistently or if the support for it withers away over time, whether the necessity for the reformist policies to be compatible with one another is recognised or not; these are constitutive elements of the processes 'by which organisations and procedures acquire value and stability' (Huntington 1968, 12) and are important for the outcomes of such processes.

Examining elements of reform design through the prism of leader's exercise of power means more than describing changes from a particular point of view. The power constellations in China and the Soviet Union, respectively, are not merely assumed here**;** instead, the empirical sections of this research will show how both Deng and Gorbachev were granted an extraordinary opportunity to act decisively and autonomously on the policy plane. While examining the power constellations in the two countries, this research uses abductive reasoning. For China, it juxtaposes the concentration of power claim together with the fragmentation of power claim, and shows that the former is more plausible (more compatible with some established facts) than the latter. It subjects the claims about Gorbachev's extraordinary power and the claims about his powerlessness to similar treatment.

Three types of activities are examined in detail in order to determine characteristic features in the leaders' efforts to control or design change: reformist discourse, policy *decisions*, and *persuasion* tactics employed in the political arena. In reality, each of these activities bears no less significance nor is, for that matter, necessarily subsequent or subordinated to the other two. This is so because no leader begins from the beginning (and orders his activities sequentially), but at any given moment he or she does something that falls into discursive action, something else that falls into 'policy', and again something else that falls into politics. That said, they will be examined here in their logical order and treated as discrete categories. The leaders' discursive efforts to shift the policy paradigm are considered first; next, the policy decisions that aligned with the new paradigm; and last, the political actions taken by the leader to defend those emerging rules from mutating into something unwanted or going into reverse.

Next, the interest here is upon activities that are exclusively within the domain of leadership. Thus, for example, while shaping the discourse of reform and change is not an exclusive privilege of the leader, creating the 'meta-narrative' of reforms is. A leader can be as poetic as Deng – 'black or white, a cat is nice as long as it catches the mice'– or as philosophical as Gorbachev – 'truth is the main thing': such statements carry that unique quality in that they (1) *deviate* from established patterns of state discourse and (2) *constrain* the subsequent processes of policy change.

'Choice' is another key analytical category of this inquiry. When saying 'choice', this research makes a few distinguishable assumptions about structure as well as agency. First, the (choice) situations in which reformers find themselves, I assume to be also shaped by the triumphs or failures of their predecessors, rather than being completely defined by the preferences of their peers. Next, as mentioned in the previous chapter while considering the 'strategic-relational' take on the relationships between structure and agency, this research adopts the position that (some) structures or situations leave an opportunity for actors to act strategically in more than one way. This position presupposes that leaders' choices have causal features. Ascribing causal importance to leader's choices is not intended to reduce Deng's era and Gorbachev's era's reforms to a series of voluntarist acts and actions, nor does it imply that the situation in which the two leaders found themselves was unstructured. The reasoning here is that Deng and

Gorbachev, as reformers, faced certain situations that were capable of accommodating more than one rationality and thus allowed for the understanding and aspirations of each leader to push the processes of institutional redesign in one direction rather than another. Last, choice in the context of this inquiry stands for a decisive and sustained commitment to some strategic or normative principle, as opposed to something spurious. Deng's *enduring* commitment to making the administrative and economic processes more efficient is one example of this type. Gorbachev's enduring commitment to resolving political conflicts without violence, or the threat of violence, is another example.

Discourses[37], policy decisions, and persuasion tactics (the tools by which reformers influence the policy processes and manipulate the problems of bureaucracy and history) are in essence *intermediate* categories. In order to acquire any analytical meaning, they must be related to the structural constraints or opportunities, to the actual political context in which they occur, and ultimately, they should be assessed through the prism of success and failure. With this in perspective, the analysis will use the following additional categories:

Structural preconditions. What were the systemic failures and contradictions that allowed, if not directly provoking, a reformist approach in China and the Soviet Union? Here, I will identify certain pressure points (e.g. loss of trust, economic hardship) that pre-existed the ascendance of Deng and Gorbachev as leaders. I consider, in this context, the environmental factors that enabled the two leaders to step out of the established routines and pressured them into assuming the mantle of reformers, rather than factors that determined the specific nature and scope of their interventions as reformers.

Interactions. I consider here the policy and political dynamics that emerged subsequently and were, in a way, shaped by the moment of decisive intervention on the policy plane. The following set of general questions is used for such purposes. What kind of (domestic) opposition and competing visions emerged during the reformist period? What were the problems of the solutions (e.g. how the policies of change altered the terrain so that some previously non-existent or unrecognised tensions and contradictions surfaced)? How does the leader react to such challenges and changes in the environment? Does he change his (reformist) goals or strategy?

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[37] According to Schmidt policy discourses are 'whatever policy actors say to one another and to the public in their efforts to generate and legitimise a policy programme' (2002:210).

Quality of performance. Here, I consider the efficiency and longevity of the reformist policies and the adaptation, or rejection, of the new values promoted by the leader. Do those reformist policies supported by the leader bring an immediate but transitory or unwanted effect, or is that effect prolonged but lasting? How well does the leader perform vis-à-vis programmatic declarations – that is to say, how well he carries out the 'vision' or the project.

As this research discusses success and failure, it is best, I believe, to spell out the criteria used for doing so. There are three criteria with which we can measure the successfulness of a given reform program. First, we can do so by relating consequences to some conceivable intentions (e.g. the notion that Gorbachev intended to collapse the Soviet system does not belong to such a category). Second, by relating programmatic declarations to outcomes. Last, we can assess the successfulness of reformers in terms of bringing or creating conditions for some new type of normalcy. Regardless of the time and place, the end goal of any reformer is to bring stability (Huntington 1968).

Some of these criteria, particularly the first one, are easily challenged. Nonetheless, *on each of these criteria, it is easy to speak of Deng as being a successful reformer just as it is easy to speak of Gorbachev as being a failed one.* (Here, I am taking into account the possibility that Gorbachev's priorities evolved during perestroika, and that after 1989 he became more concerned with the strengthening of the representative institutions rather than with preserving the Soviet Union.) According to the above, exploring the linkages between Deng and Gorbachev's different choices on similar issues and the successes or failures of the reformist policies should be a valid exercise.

3.4 A few delimitations and limitations of the cases analysis

Deng's era and Gorbachev's era changes are understood here as a set of different processes occurring in parallel, some loosely and others more tightly related to leadership. Accordingly, the ambitions of my empirical analysis deviate from the standard. The standard is to seek to explain as much as possible with as little as possible (at least, this is true for the theory informed analysis; see King et al 1994). As such, seeking the overarching feature of the historical processes of interest instead of acknowledging their multiplicity is closer to that standard.

Thus, for instance, the debate on Gorbachev's perestroika revolves around whether it was revolutionary in nature or whether that revolutionary outcome was an unintended consequence of some poor policy choices and whether those dramatic changes were driven by democratic sentiments or elite preferences for privatization of the commons (for one side of the debate, see Katz and Weir 2007; for the other side, see Mau and Starodubrovskaya 2001). Contrastingly, the Chinese reforms are commonly placed within the framework of evolutionary change (Shirk 1994; also Naughton 1995), with the debate revolving around whether the causes for that incrementalism were structural – culture, geography and history (see Sachs and Woo) – or institutional and political. For all their differences, these accounts share essential similarities. Namely, they try to find an overarching feature of multiple processes occurring on multiple levels and involving different, somewhat unrelated actors. This research does not try to do that. The claim here is that 1) the change processes in China and the Soviet Union had certain non-incremental components and that 2) Deng and Gorbachev as reformers were intimately related to those components.

Consistent with the position outlined above, this research does not offer a' top-down model' of policymaking. My intention is *not* to devise a 'Deng-in command model' of the Chinese reforms; even less, a 'Gorbachev in command' model of the Soviet reforms. What is being modelled here is *the relationship between leaders' exercise of power and the reformist policies*. That said, this research does challenge the 'bottom-up models' or sub-system focused analyses that predominate the theory-informed literature on Deng's era and Gorbachev's era reforms. The contention, however, is that such efforts to bring leadership within their orbit is artificial, rather than organic, and that the product is a misrepresentation rather than a simplification of reality.

Also important, my representation of the relationship between leaders and policies of change is *not* comprehensive. For instance, the foreign policy activities of the two leaders, as important as they were, are somewhat overlooked here. In reality, this was an area of intense activity and an area where both Deng and Gorbachev acted with almost absolute autonomy. However, dealing with such realities would amount to adding too many data points, which are somewhat redundant for the purpuses here.

Nationalism, another complex theme (and one that was closely related to foreign policy in both cases), is also omitted from this analysis of Deng's era and Gorbachev's era reforms. This omission may seem questionable given that some of the most persuasive arguments on the collapse of the Soviet Union focus on the role of nationalism (see Beisinnger 2003). However, more relevant for this research is that nationalism played no part in Gorbachev's reform agenda. Gorbachev, as Lukic and Lynch (1996: 130) note, showed 'phenomenal blindness to the multinational aspect of the Soviet System', and failed to recognise the existential threat that the nationalities issue posed to the Soviet Union. 'We are justified in saying that we have solved the nationalities issue', Gorbachev would brag in late 1987 (*Pravda*, November 3, 1987). Of course, the nationalist mobilisations across the Soviet Union during the late 1980s did not occur in a parallel world, independently of Gorbachev policies. Glasnost in conjunction with Gorbachev's constitutional policies created fertile grounds for the emergence of nationalism as a major force on the Soviet political scene after 1987 (see Beissinger 2003 chap.2; also Sakwa 1990). The issue here is *how* they relate to Gorbachev's project. We can claim, for instance, that Gorbachev's regulatory policies missed their mark or that they were poorly designed to achieve their intended effects (some would argue that this view is simplistic but that is an entirely different issue). We have no similar frame of reference for assessing Gorbachev's impact on the nationalities issue. Nationalism played no part in Gorbachev's reform agenda. As such, here we would have to reduce the analysis to 'unintentional actions producing unintended consequences'. This angle of Gorbachev's era changes has been explored thoroughly (see Beissinger 2003, 2009). This research is more interested in Gorbachev's take on issues that he thought he knew how to solve, such as ending Brezhnev's era of stagnation and saving socialism.

Unlike Gorbachev, Deng was less naïve and more deliberate in handling issues related to nationalism (Hong Kong's sovereignty, Taiwan's independence, and Tibet's autonomy were the big three themes in this category; see Vogel 2011 chap. 17.) Deng's era reforms also carried substantial changes in policies towards national minorities, which were codified in the 1982 Constiution (see Hsieh 1986). Such changes were largely in line with the rest of the reformist policies in the sense that they were progressive, pragmatic and discontinuous (different than Mao's). The issue here is that the ethnic composition of China, in conjunction with the presence of other pressing issues (e.g. the unsustainability of Mao's brand of communism, economic underperformance, social unrest, tensions in army-party relations) turned nationalities policies into a marginal issue, from the perspective of the Chinese state. As a reformer, Deng spoke clearly and acted decisively on issues such as the relationship between the market and the plan, between ideology and expertise, theory and policy, and a set of other adjacent issues. Identity politics, ethnic relations, minorities rights and religious freedoms were not part of that core set.

This research does not deny that nationalism was an important dimension of Gorbachev's era changes and part of Deng's era reforms. However, that importance, in my view, is not absolute but purpose relative. Relevant for this research is that nationalism was not a factor that constrained or shaped Gorbachev's policy decisions. It is also a redundant variable for the purposes of analysing the characteristic features of Deng's effort to control the change processes in China.

Next, this study occasionally sacrifices parsimony for the sake of capturing a certain complexity of the cases. Thus, for instance, with Gorbachev, this study finds that how he begins his journey as a reformer is more important than how he ends it. [38] With Deng the opposite is true – his story is about the establishment of a new kind of normalcy in China.

Also important, while analysing the reforms in China and the Soviet Union, this research frequently engages in pointing out the obvious. It will point, for example, that there was an extraordinary fit between politics and economics in socialist systems; attacking the bureaucracy was a common sport among communist reformers; and Gorbachev was not Deng. The goal of such an exercise is to draw attention to the limitations of arguments that emanate from the 'incremental models of policymaking' (for China) and 'interest group models of policymaking' (for the Soviet Union).

Furthermore, this analysis aspires to be objective rather than neutral. By this, I mean that my research will emphasise that Deng had a better grasp of the challenges of institutional change and understood the political system in which he acted better than his counterpart. Highlighting this discrepancy is in a way about taking into account the pre-reform experience of Deng and Gorbachev. Before becoming the paramount leader of China, Deng was a revolutionary; a leader of the communist army during the civil war (1948-9), head of the Party Secretariat (1963), a prosecuted ex-party leader (post-1968) and, for several years, a manual worker on a collective farm (pre-1974). He knew the world before communism, played a key role in building the Chinese socialist system, and had an opportunity to see how that socialist system functioned from above and from below (see Pantsov and Levine 2015). In contrast, before becoming the leader, Gorbachev's career followed a straighter, less exciting trajectory. He climbed within the party ranks by having powerful patrons and by following the ideological line with more enthusiasm than his peers did (see Lewin 1991; Brown 1996; Hough 1997;

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[38] Gorbachev contributed greatly to the peaceful resolution of the collapse of the Soviet Union. But that is less important for the purposes here.

Volkogonov 1998). In sum, risk taking and crisis decision making were not part of Gorbachev's personal experience.

On evaluating the cases on their own terms

The final and most important delimitation to be made here is the following: this research will assess the reforms and the conduct of the reformers on their own terms. In other words, while dealing with concepts that carry normative overtones– e.g. 'development'– this research does not impose its own criteria but instead relies upon the self-imposed criteria of the two actors. for instance, Gorbachev discussed development in terms of developing the rule of law ('socialist legality' in his terminology), civil society and sets the goal for his perestroika no lower than at saving the morals of the nation and saving socialism. Deng's criteria were somewhat different – e.g. developing functional laws and making the economic and administrative processes more efficient. Deng's development project was no less ambitious or extraordinary, it just had more specific goals than Gorbachev's 'saving socialism'. The project's aim was to replace the historical legitimacy of the Party rule with performance-based legitimacy. The narrative that Deng tried to bring to life was as follows: 'We (i.e. the Party) rule China not because we are the heirs of the revolution but because we are competent in bringing order and prosperity to the people of China'.

To give another example, when this research deals with phenomena such as bureaucracy or bureaucratism, it is primarily concerned with identifying the issue (real or imagined) that the leaders of interest had brought to the reform agenda and tried to solve. So, for instance, when Deng talks about the problem of 'bureaucracy', he means institutional inefficiency – i.e., duplication, overlapping and redundancy. By 'bureaucracy', Gorbachev means something entirely different: powerful actors who are profiting from the status quo and are dedicated to sabotaging innovation and indifferent to collective progress (see Chapter 7). Accounting for the self-imposed criteria of the two also means that this research refrains from labelling the change processes that the two leaders were presiding over as being transitional. By this, I mean that Gorbachev's effort to strengthen the representative institutions (the soviets) was not an effort to replace the one-party system with a multi-party one; rather it was an effort to draw out the untapped potential of the socialist system (or, what he called, 'the idea of socialism'). Something similar could be said about Deng's effort to improve the inner-party democracy and institutionalise Chinese politics.

As the issue of assessing the reforms and reformers on their own terms or by imposing some external criteria (e.g. placing them under the rubric of transitions to market or democracy) is by no means a naïve one, let us consider for a moment an example from the opposite camp. While analysing Deng's era reforms, Shirk writes:

> The institutional context meant that instead of economically optimal comprehensive reform, China ended up with second-best, gradual, piecemeal reform that created new markets and non-state firms alongside the old planned economy and state firms. (1994:145)

The claim that China did not adopt 'economically optimal comprehensive reform' is a prima facie example of an externally imposed criterion.[39] It derives from what Shirk *imagines* as economically optimal (i.e. replacing the 'plan' with the 'market'). The argument resonates with the mainstream thinking on institutional change as it gives a central role to constraints. Shirk's line of thought proceeds as follows: 'the reform processes in China under Deng were shaped by the constraints imposed by the political context/institutional settings and this is evident from the fact that the Chinese decision makers could not make economically optimal reform decisions'.

The circularity of the argument above is addressed elsewhere in this research. For the moment, I will focus upon the linking part of the argument - i.e., the claim that the Chinese decision-makers could not make optimal decisions while restructuring the economy. Such claim seems to be at odds with the fact that the Chinese economy was growing at an extraordinary pace during Deng's era and after. Granted, 'second-best approach' claims, in logical terms, are not necessarily incompatible with the extraordinary growth of the Chinese economy. They align well with the supposedly serendipitous nature of China's economic growth. The real issue is that those 'second-best approach' claims relate (and can only relate) to the intentions of the Chinese reformers in the form of 'imaginative speculation'.

Stated bluntly, the disconnect between the 'second-best approach' claim and the stated intentions of the Chinese reformers is great**.** To explain this, let us consider for a moment the idea of 'market socialism' and see how it relates to Deng's era reforms.

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[39] Another key, but less relevant for the point being made here, problem with such an argument is in what it does not say or in what it implies – i.e., that those institutional change processes from Deng's era were comprised of 'layering' rather than 'conversion'. The economic transformation of bureaucratic organisations and the Chinese PLA suggest that what happened in the state controlled sector was as important as what happened in the private sector of the economy.

Within the realm of socialism, the concept of ‘market’ had a distinctive meaning and function rather than the usual one. [40] For instance, the conventional wisdom in liberal-democratic systems is that the market performs a useful role in that it provides information regarding who and what is valuable in a society (and it provides such information by fostering competition among products, among individuals, and among organisations). In socialist systems, the value of the ‘market’ is found in that it helps to *manipulate the preferences* of the productive forces for leisure/labour by bringing to the table material incentives as an *additional* motivation.[41] More importantly, the idea of ‘market socialism’, however one understands its nuances, was never about replacing the plan with the market. Arguably, it was not about their co-existence (if by ‘co-existence’ we mean introducing market elements alongside the command economy, a phenomenon known as ‘institutional layering’) but instead about their amalgamation.

What was absent from market socialism is no less important. Namely, the idea that the market is the ‘hidden hand’ that gives, whereas the state is the ‘invisible foot’ that takes away, was alien to the communist understanding of the market. To be more specific here, the idea that public organisations are incapable of running anything more complex than the parking lots in the city (if that) was foreign to ‘market socialism’; instead, the communist understanding of the potentials and competencies of publicly-owned, state-managed companies was more ‘naïve’.

The ideas of market socialism did not arise from contemporary Chinese realities nor were they left in the abstract prior to Deng’s reforms.

‘Language . . . is a refinement, 'in the beginning was the deed’, writes Wittgenstein (1980: 31). The genesis of the idea of market socialism fits into that category. The first ever grandiose socialist experiment, i.e. Lenin’s *New Economic Policy*, which was born out of the desire to put the Soviet economy on its feet as soon as possible, had brought such an idea into relevance. Aleksei Bukharin, to my knowledge, was the first among the Bolsheviks to popularise the term ‘market socialism’ during his struggle with the leftist faction within the Party during the 1920s (see Cohen 1973; Bukharin ([1925]1982). What is more relevant for the point being made here is that Deng, as a student, was able to witness personally those events. This experience, as some scholars argue, left a profound mark on Deng's thinking on economic development (see Vogel 2011; Pantsov and Levine 2015).

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[40] The idea of market socialism was restrictive: for instance, natural resources (or labour) were not considered as commodities.

[41] There are certainly some more sophisticated ways to define market socialism (see Nove 1972; Sweezy and Bettelheim 1971; Arnold 1994). I am trying to give an approximation here on how communist reformers have thought about the market, about its value and function in relation to economic development.

In summary, we can establish a causal link between the idea of market socialism and Deng's reforms on three grounds – the idea of market socialism arises from some real history; that history, for all intents and purposes, was a legitimate resource for the Chinese reformers and was part of Deng's personal experience. Furthermore, Deng openly propagated the ideas of market socialism for a prolonged period. Beyond 1959, whichever arbitrary point of the history of Communist China we look at, we can find Deng saying the same thing: that the plan is not equivalent to socialism and that the market is not equivalent to capitalism (see, for instance, Deng 1979;1982;1985; 1987;1992).

One detail warrants attention here: Deng's market reforms, in contrast to Shirk's claims, were not about simply allowing non-state firms to function alongside the planned economy. The reforms were also about transforming those state-controlled firms into competent market actors and making traditional ~~b~~ureaucratic actors (individuals, groups and organisations) behave more like entrepreneurs. No less important, not the economic stick (e.g., imposing 'hard budget constraints') but the political carrot (career advancement opportunities based on economic performance) was envisioned as being the pillar of that transformation. These political incentives in turn were interdependent with the establishment of the meritocratic system and university reforms. These political incentives in turn were interdependent with the establishment of the meritocratic system and university reforms. The point is that Deng's project was a complex enterprise to which the label economic reforms does disservice. So confining Deng's era reforms to economic reforms is equally problematic as the claim that the economic reforms in China were not optimal These themes will be revisited in Chapter 5; for the moment let us return to the point about market socialism.

Thus, there was the idea of 'market socialism' and, although it was antithetical to Maoism, Deng was a proponent of the idea; once in power (after 1978), he acted in accordance with it, and, as a result, the Chinese economy was transformed and revitalised. Shirk's argument can be compatible with those realities only if we reduce 'second-best approach' to a *normative* claim. Namely, a 'first-best approach' is about replacing the plan with the market, and anything different to that is a 'second-best approach'. Doing so would render the intentions of the Chinese reformers and the fit between intentions and outcomes as unimportant.

The problems with using the western understanding of the market as lenses in order to assess the Chinese reforms, therefore, range from opportunistically projecting intentions onto the Chinese decision makers to pushing normative claims about those processes and their outcomes under the guise of empirical research**.** Taking a more grounded approach towards interpreting leaders' intentions, and trying to be more attentive to what the Chinese and the Soviet reformers were actually saying or doing, should prove useful for avoiding such pitfalls.

Assessing Deng's and Gorbachev's conduct on their own terms raises two issues. The first relates to the comparability of the cases and the second to the transferability of the empirical arguments.

The claim that Deng and Gorbachev relied upon different criteria as reformers comes with a caveat: they were choosing from the same set of opportunities. To be more specific about this:

> When the bureaucratically administered economy runs into difficulties, as it certainly must, there are two politically opposite ways in which a solution must be sought. One is to weaken the bureaucracy, politicise the masses and ensure increasing initiative and responsibility to the workers themselves. This is the road towards socialist relations of production. The other way is to put increasing reliance on the market'… as an ostensible step towards a more efficient "socialist" economy… (Sweezy and Bettelheim 1971:53-54)

Every major reform effort in socialist systems can safely be coded either as an 'advance' or a 'retreat'**.** Stating that Gorbachev adopted the former path, and Deng the latter approach, should not be controversial**.**

Does assessing those reformist initiatives on their own terms confine this analysis to the idiosyncrasies of socialist systems? Not necessarily. Few would deny that the first approach (i.e., the one that reduces the problem of socio-economic development to politics and power relations) is more aesthetically appealing through the lenses of the socialist system. The latter approach finds its justification (legitimacy) solely in the claim that it will produce more efficient outcomes. To put this in more universal terms: the first approach is a realm where the 'logic of appropriateness' predominates; the latter is where the 'logic of instrumentality' reigns.

3.5 On comparing the reforms in China and the Soviet Union and relying on the already available data: issues and non-issues

On comparing the reforms

Comparison has become a standard tool for interrogating the reforms in China and the Soviet Union (see Nolan 1994; Pei 1994; March 2006; Hua 2006; Padgett 2012; Miller 2016). Even studies that focus on just one of the two cases often devote a chapter to comparing it with the other (see, for instance, Shirk 1994; Miller 2016). The comparative literature has also covered specific topics such as the role of the Soviet/Chinese bureaucracy in the reforms (see Zhang 1992; Huang 1994). It seems no stone has been left unturned by the comparative method.

The comparative appeal of the two cases is clear. ‘The contrast in the performance under reform policies is breathtaking. Almost every major indicator in the two countries moved in an opposite direction’, notes Nolan (1995: 303). Contrasts continue with the same intensity on the level of outcomes. On one side, we have ‘the worst economic and social catastrophe ever suffered by a major nation in peacetime’ (Cohen 2009: 26), and on the other, ‘the greatest economic growth ever recorded in human history’ (Vogel 2011).

Nevertheless, the reasons for not comparing the two cases might be as tempting as those for comparing them. Deng’s era reforms and Gorbachev’s perestroika are some of the most complex state projects in modern history; as such, comparative accounts face the problems of multicausality and equifinality in abundance. The *interdependency* of those processes, which scholars have become increasingly aware about over the past decade (see, for instance, Shambaugh 2009; March 2005), raises another set of problems. ‘Juxtaposing these two cases in side-by-side analysis would ignore the interdependent nature of communist reform and discount the importance of interaction and lesson drawing in that process’, writes March (2005: 28).

Side-by-side analysis is problematic when this method is used for explaining the collapse of the Soviet Union or the Chinese ‘economic miracle’/institutional resilience’**.**

This research, speaking in broad terms, places the two cases side by side for some alternative purposes. By focusing upon Deng and Gorbachev’s exercise of power, this study ventures across the temporal and spatial dimensions of the reforms in China and the Soviet Union and tries to argue in the process that such an exercise is both valid and useful. While narrowing the interest to such themes does not solve by default all of the noted methodological problems, it does solve some of them. For instance, if we bring the analysis to a leadership level, the following becomes clear. Deng could not have learned from the (contemporary) Soviet experience; time was an issue here. Gorbachev’s perestroika, as will be argued here, was not about learning from the experience of others (nor was it, for that matter, about learning by doing). From such an angle, interdependency does not seem to be an issue.

Another contentious issue is putting the cases under the appropriate conceptual/theoretical umbrella. Whether socialist systems (i.e. Leninist systems, Stalinist systems), communist regimes, party-states or some other conceptual frame, such as 'late developers' or 'civilizational states' give a better overview of the similarities of the reforms in China and the Soviet Union is a subject of disagreement among scholars (see Walder 2004; also Shaumbough 2009). This research uses the label 'socialist systems' primarily because it wishes to take into account how the leaders of interest have perceived their environment.[42] How we label the institutional settings in China and the Soviet Union can be of crucial importance in as much as we compare them through the prism of their systemic similarities of dissimilarities. This research uses a different platform for analysis and comparison. It engages in periodisation – periods of normalcy and extraordinariness – and compares the cases from a perspective of significant institutional change (i.e. extraordinariness).[43] In other words, it does not assume that the institutional constellations in China and the Soviet Union were very similar; instead it considers the cases *as quintessential examples of 1) periods of significant institutional change and 2) of two opposite approaches to institutional redesign.*

Three details warrant attention here. First, engaging in periodisation here necessitates using generic (as opposed to one-party rule specific) concepts. This is so because, to my knowledge, there is no specific, well-developed theory that deals with reforms in one-party systems (on the interdependencies between theory and concepts, see Kaplan 1964: 53). Although 'reform communism' is not a tabula rasa, it is comprised of predictive theoretical efforts that fail, by a margin, at predicting (see, for instance, Kornai's (1992) assessment of the viability of market socialism). Next, and no less importantly, 'policy paradigms' and 'institutionalisation'– the conceptual tools used here in order to engage in periodisation – are neutral ideas. It is generally accepted that the phenomena that they point to are not tied to any particular historical/cultural setting or political order (see Selznick 1992). I would go as far as to say that using them is probably the least controversial approach that one can take for analysing the reforms in China and the Soviet Union. Last, with both Deng's era and Gorbachev's era reforms it is easy to find what one expects to find during periods of significant institutional change. That is to say, 1) consensus on change followed by decisive intervention; 2) profound conflict during the implementation of the policies of change; 3) increased tension between leaders and bureaucratic actors; and 4) the emergence of history as the most contentious issue.

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[42] Both Deng and Gorbachev, as any other Marxists, were devotees to the idea of 'political systems' ; both, as reformers, were concerned with the inefficiencies of the socialist system.

[43] This research adheres to the idea that the lenses that we developed in order to study the normal are inadequate for studying the abnormal. This idea is supported by prominent scholars who have engaged in a thorough investigation of periods of significant institutional change. O'Donnel and Schmitter, for instance, claim that '"normal science methodology" is inappropriate in rapidly changing situations' (1986: 4).

On relying on secondary sources and making original contribution

> Harvesting relevant information from others' data, although often overlooked, may often be the best way to obtain relevant information.
>
> King et al. (1995:477)

An argument exists that the complexity of Chinese politics 'can be understood only by those who have devoted their entire careers exclusively to their analysis' (Harding 1984: 298). A similar claim can be made about Russia/ The Soviet Union. This position carries two implications: one, studying each of the two cases at a distance is a poor choice, and two, the potential for generalising from the cases is rather limited. It is easy to support such an argument (and its implications) without rehearsing its details. Conversely, it is easy to be suspicious of studies such as this. This analysis of the reforms in China and the Soviet Union relies exclusively on sources translated into English. For this reason, and at the risk of sounding repetitive, it is important to spell out what aspects of the reforms in China and the Soviet Union this research engages with, what weight does it place on empirical details for its arguments, and what is the nature of those research arguments.

Evidently, distant observers, such as myself, pouring over secondary accounts are ill equipped to say something entirely new about the reforms in China or the Soviet Union. Nonetheless, determining the presence or absence of certain features of those change processes, as well as identifying the systematic phenomena that constituted those processes, as this research will show, is not a closed book. As King et al. note,

> Knowing what happened on a given occasion is not sufficient by itself. If we make no effort to extract the systematic features of a subject, the lessons of history will be lost, and we will learn nothing about what aspects of our subject are likely to persist or to be relevant to future events or studies. (1994:63)

This research is committed to extracting those systematic features of the reforms in China and the Soviet Union. The act of doing so is less important than *how* it is done. This analysis starts with the concrete or the 'surface' (e.g. leaders' decisions, speeches, etc.) and moves on towards more abstract themes, such as the overarching logic and internal consistency of those state reinvention efforts.

This research builds its inferences upon *basic observations* about the nature of the relationship between the leaders of interest and 'bureaucracy' 'history' and the policies of change. For example, Deng's approach towards the problem of bureaucratic inertia and drift was institutional and non-antagonistic – he considered the Chinese bureaucrats and, like everyone else, as victims of dysfunctional and bad institutional constellations (see Chapter 7). Gorbachev's approach towards the same problem was anti-institutional and antagonistic – namely, he reduced the problem of bureaucratic resistance and distortions to personalities and vested interests (see Chapter 7).

Marrying the analysis to such basic observations reduces the potential for misinterpretation of the realities of interest; also, relying on the already available sources seems sufficient for such a task. Namely, conducting one more interview or bringing one more piece of archival evidence to light in order to say that Deng was the prime supporter of market reforms in China or to say that Gorbachev did not get along with the Soviet state bureaucracy seems redundant. Now the flip side of reducing the threat of misinterpretation in such a manner is increasing the threat of writing something derivative.

This research turns to secondary sources not only for extracting relevant empirical data but also for identifying patterns of inferences. Parallel to investigating the role of leadership in the reforms, this research places under scrutiny the trends which prevail in the theory-informed literature on the cases.

The focus is on arguments that are *representative* of the intersections between the models of institutional change and the realities of Deng's era and Gorbachev's era reforms. That is to say, arguments that carry a certain capacity to speak about universal and contemporary relevant issues such as, 'How is the leader typically brought to the analysis of institutional change?' and 'How is the relationship between leaders and policy designs treated in the mainstream literature?' Accordingly**,** *the novelty that this research aspires to bring is in using the cases as lenses to say something about the study of institutional change rather than the other way around.*

For the sake of clarity here, let us briefly consider the nature and the genesis of the relationship between the realities of Deng's era and Gorbachev's era reforms and the models of institutional change. During the nineteen eighties, the social science literature on China and the Soviet Union (and on communist countries in general) evolved in two significant ways. Conceptually, it has moved beyond the notion of ‘totalitarianism’; methodologically, it has moved from reading official party documents, leader speeches and newspapers to observing social behaviour in its natural settings (see Stark and Nee 1989; Walder 1994; for the Soviet Union, see Solnick 1996; for China, see Shirk 1994). The trends in the scientific literature on the cases have shifted towards treating organisations as actors, focusing on the actual rather than the formal institutions, devising propositions through empirical observations (questionnaires and interviews with individuals found below the elite level, mostly) and trying to explain as much as possible by using as little as possible. With this change of lenses, scholars have begun detecting in the two countries certain policymaking trends that prevail in democratic systems, particularly in the United States.

On China, during the 1980’s, the key influence came from Dahl and Lindbolm’s *Politics and Society*. The key theme from this book –i.e. ‘bargaining’ among players with mutual veto powers and its pervasive effect on policymaking – was applied to the Chinese realities during Deng’s era (see Leiberthal and Lampton 1992). Subsequently, the mainstream analysis of Deng’s era reforms adopted one familiar theme from the normative institutionalism literature. The story of Deng’s era reforms became one about reforms being able to achieve ex-post coherence without interference from strategy or deliberation of state officials (see Naughton 1995; see also Rawski 1995; Shirk 1994).

Robert Dahl’s ideas on pluralism have shaped the first generation of theory-informed literature on policy making in the Soviet Union (see Skilling’s work on interest group politics (1966) and Hough’s work on pluralism (1977). A running theme in Dahl’s (1961; 1958) work on pluralism is how public officials are constrained by societal pressures (the other theme is that ‘everybody governs’ in pluralist orders). Evidently, such pressures were weak (if not altogether absent) in the Soviet Union. Moreover, the idea that ‘everybody governs’, for obvious reasons, did not correspond well to Soviet realities. This problem was addressed by the more theoretically-minded Sovietologists by adding adjectives to the term pluralism, such as ‘bureaucratic’, ‘institutional’ and ‘institutionalised’ pluralism (see Solomon et al. 1983). Later (during the 1980’s), however, efforts to model the policy-making processes in the Soviet Union took a more cynical turn. Dahl’s ideas about ‘pluralism’ were abandoned; such efforts started gravitating towards Mancur Olson's 'public choice approach' (see Olson 1982; 1964). The story of policy making during Gorbachev's era became one about the capacity of special interest groups to rigidify the system, decrease economic efficiency and impede collective progress as well as the powerless of the political leader to overcome these tendencies without collapsing the whole system (see Chapter 6)**.** Oddly, Olson's concepts of 'devolution' and 'institutional sclerosis', which provide the backbone to the public choice approach, are rarely explicitly mentioned in the literature on Gorbachev's era reforms. Nevertheless, the arguments on Gorbachev's era reforms described above logically align with the 'public choice approach' better than with any other approach.

This survey of the intersections among the well known models and metaphors of institutional change and Deng's era and Gorbachev's era reforms is by no means exhaustive. The more relevant point to be made here is that *the two cases of reforms have been used primarily to reaffirm the utility of those models*. To frame this differently, despite the unexpected outcomes of the reforms and the global importance of China's transformation and the collapse of the Soviet Union, the interaction between such realities and theory has been relatively orthodox and, arguably, inconsequential. As one scholar noted some time ago on this issue, 'Concepts from comparative politics have been used to understand China, but China has not yet been used to help expand our understanding of comparative politics' (Harding 1984: 298; see also Lieberthal 1986). I believe that this contention is still valid**.**

Logically, there should be no objection to using the two cases of reforms in order to say something about the study of institutional change (or the virtues of looking at such processes from the perspective of individual leaders). If Deng's era and Gorbachev's era reforms are good enough to be treated by the mainstream approaches, then they are also appropriate for exploring the properties of those approaches. Here I must emphasise that I do not plan to directly match empirical data with some theory in order to expose the shortcomings of that theory (if this were the case, there would be no reason to focus on the existing literature on Deng's era and Gorbachev's era reforms). Instead, I examine in detail what happens at the intersections between mainstream social science theory and the empirical data. There we can find claims such as the following: 'the coherence of the reform process emerged in spite of, not because of, the policies of the Chinese leaders' (Naughton 1995:309). Those claims speak both about the reforms of interest and about the prevailing paradigm in the study of institutional change. Conversely, issues with plausibility and usefulness of such claims (usefulness for understanding or explaining the reforms in China) point to issues with that paradigm.

Conclusion

This study does not bring a detailed history of the collapse of the Soviet Union or the transformation of China, or even a comprehensive account of the ways in which Deng and Gorbachev as reformers related to the institutional changes in their countries. Instead, this study details the characteristic features of Deng's and Gorbachev's efforts to control the change processes in China and the Soviet Union respectively. The purpose of this exercise is to draw awareness to the advantages of the leadership approach – that is, to conduct a systematic exploration into the more useful and less useful and the more plausible and less plausible ways in which can study the relationship between leaders and institutional change.

While analysing Deng's era and Gorbachev's era reforms, this study relies on simple observations regarding the relationship that the leaders formed with the policies of change, bureaucracy and history. Of key interest to this study are also some typical arguments (concerning the role of the leader in those processes) that appear in the mainstream literature of Deng's era and Gorbachev's era reforms (i.e. they are additional observational units). And lastly, it uses the concrete (the available details and interpretations of the reforms in China and the Soviet Union) in order to say something about the abstract (the limitations of some and the possibilities of other analytical tools for studying institutional change) rather than the other way around. I hope that this chapter has provided sufficient reasons for the following claim: for the purposes of this research, relying on secondary data, while dealing with Deng's era and Gorbachev era reforms, is in some ways sufficient, in others a necessity, and possibly a virtue rather than a hindrance.

CHAPTER 4

Reformism and reformist leadership from a communist perspective: assessing the representativeness of Deng's era and Gorbachev's era reforms

4.1 Introduction

The primary purpose of this chapter is to identify the reforms in China and the Soviet Union as representative examples of significant institutional change. The secondary purpose is to add an additional context to the cases analysis by putting into perspective the peculiarities of 1) socialist systems 2) of 'reform communism' and 3) of China and the Soviet Union at the onset of the reforms.

The notions of 'reform communism' and 'socialist systems' are inexplicably related to certain contentious issues – e.g. whether that system was flexible or rigid, whether incrementalism was the only way to reform that system, and whether reform communism was doomed to fail. This research will position itself vis-à-vis those issues without engaging in an exhaustive interrogation of the pros and cons. Additionally, the survey on the similarities and differences between China and the Soviet Union will be minimal in this chapter. The reasons for this are simple. The commonalities of socialist systems or those of China and the Soviet Union are *not* the key building blocks of this comparison**.** This research uses periods of significant institutional change or *reformism as a platform for analysis and comparison.* Thus, the function of this chapter is to show that it is safe to consider the two cases in terms of shifts in policy paradigms, moments of decisive intervention and other elements that indicate extraordinariness; also, to show that the interaction between leadership and those elements was equally intensive in both cases.

4.2 The ‘generic’ features and challenges of reform communism

It is perhaps prudent to start with the nature of the institutional terrain or the ‘system’ so as to understand the context in which the reformer operates.[44] A riddle, wrapped in a mystery, inside an enigma: this is how Winston Churchill described the Soviet system in 1939.[45] Yuri Andropov, the long- term head of the KGB, came to a similar conclusion when he was promoted to the top post in 1983: ‘We don’t know how the system functions’, was his candid remark (in Sandle 2002:173).

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[44] ‘Material balances’, ‘economies not for profit’, ‘non-antagonistic contradictions in politics’, ‘democratic dictatorship’–these were the constitutive features of the order in each of the communist countries, and nowhere else. As these elements were interrelated, the system paradigm, although outdated, seems appropriate here. We can also safely use the term ‘closed systems’ as a contradistinction to open systems. According to Sabatier and Weible, the openness of a system is a function of two variables: ‘(1) the number of decisionmaking venues that any major policy proposal must go through and (2) the accessibility of each venue’(2007: 200). Going by such indicators, we can say with confidence that socialist systems are closed systems.

[45] BBC broadcast (“The Russian Enigma”), London, October 1, 1939

Table 4.1. Some characteristics of socialist systems

Key feature	Closed political systems - the Party claims hegemony over ideology and a monopoly over political organisations; no opposition to the Party- made policies is allowed
Ideational	-'non-antagonistic contradictions in socialism' and 'democratic centralism'[46] -antagonism towards individualism, competition and the 'rule of law' -commitment to full employment and developing the welfare state
Administrative and economic	-' dual hierarchies'- party organisations parallel state organisations from top to bottom -nomenklatura system – detailed records of administrative positions, occupants, and potential occupants used by the party leadership to make cadres' appointment, promotion and demotion decisions -'bureaucratic co-ordination' and 'material balances' - production quotas and prices of staples are set by statistical agencies
Dead letters	-the Constitution serves more as an account of past victories of the Party rather than as a template for political action -the popular checks on the Party's power exist only pro forma -interparty democracy remains on paper (The order was not monolithic but the Ought was often a poor referent for the Is)

Note: not an exhaustive list of the features of the socialist system, but a list of features which were exclusive to such systems

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[46] Democratic centralism through the prism of policymaking meant the fallowing: Discussion is allowed, but support is mandatory after a policy decision has been reached.

For sure, some social scientists have succeeded demystifying the system and uncovering some of the hidden laws that govern it. Kornai's book *The Socialist System*, for instance, succeeds in that department, particularly in clarifying the relationship among the Party, bureaucratic organisations and economic enterprises. However, the issue here is how the socialist system determined the roles and functions of the party leader. From such a perspective, asking some generic questions – e.g. how the leader relates to the bureaucracy, what is the role of leadership in policymaking, what is the relationship between the leader and the Politburo – should be of little use. Such relationships were driven by conviction rather than adhering to some clear formal or informal 'logic of appropriateness'. [47]

Instead of starting with a static analysis of the system (and using the formal rules and informal norms in order to locate the agency of interest), the focus in this section is upon something more specific but equally relevant for understanding the terrain in which communist reformers operated: 1) the enabling factors that allowed the communist leaders to bring about a shift in policy directions with relative ease, and its counterforce; 2) the pressure to reform the system, and 3) the apparent elements of the system that needed reforming.

The position of the communist reformer

The absence of a 'cabinet system', in conjunction with the notion of 'non-antagonist contradictions within socialism', posed the following problem for the communist reformer. On one side, there was the possibility that those officials in charge of strategic sectors such as the economy, finance and propaganda were not willing or capable of carrying out the leader's reformist intentions. On the other side, replacing members of the establishment, due to the notion of non-antagonistic contradictions within socialism, was considered as being an extreme act.[48] Communist reformers therefore faced a dilemma: whether to focus on cadre replacement or to try to co-opt the established cadres. This was a much more complex decision than it may appear at first sight. Removing cadres usually required mass campaigns; mass campaigns in turn were accompanied by anti-bureaucratic rhetoric; the development of antagonistic relations between the party leader and bureaucratic agencies in turn was followed by a theory-driven approach to policymaking. That said, the fact that the new leader did not start with a new team and that there was no apparent mechanism (or no apparent reason) for changing members of the establishment in bulk was not necessarily a hindrance in terms of policy-making. Namely, communist leaders had the power to make decisions that would signal radical departures from the status quo with relative ease. Others could not tactically block (factionalism was forbidden) nor publicly criticise the leader's policy initiatives.

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[47] One can ask more specific questions, such as : What was the relationship between the communist leaders and the Politburo? Was he first among equals? What was the relationship between the party leader and the head of government? What were the role expectations from the communist leader? Nonetheless the result will be the same: depending on which particular leader is 'asked', we can arrive at wildly different conclusions regarding the role and functions of the communist leader.

Pushing policy change was relatively simple and this was also due to the absence of some party-independent centres of power. In particular, there was a *fusion* of the army and the bureaucracy with the Party. Although the power constellations in socialist systems are sometimes presented in terms of 'iron triangles' (e.g. the KGB, the army, and the Party in the Soviet Union, or, the army, the party, and the revolutionary elders in China), which is indeed appealing, presumably because the scheme offers some resemblance to western systems, the notion of independent power centres based on organisational identity (or interests) is inflated for two reasons. First, the leadership of those organisations was occupied by carefully screened party members; the army, for instance, was the party's army (as opposed to being a national army). Second, there was no legislative, judicial, or constitutional tool to provide those organisations with a platform for exercising a certain autonomy from the Party leadership.[49]

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[48] Mao and Stalin had a simple solution to this problem: They would label their political opponents as being 'enemies of the proletariat' (Stalin's preferred terminology) or 'capitalist roaders/revisionists' (Mao's preferred terminology) and then eliminate them. For Deng and Gorbachev, however, the task was more delicate, if only because both demonstratively and actually rejected the terror methods of the past and both remained committed to transforming politics from a matter of life and death into something more ordinary.

[49] I do not wish to suggest that we are dealing with monolithic power structures here; only that institutional identities or interests did not shape the main political cleavages in socialist systems.

Another leverage for the communist reformer derived from the fact that bureaucratic actors were not inclined to pressure for a certain policy or oppose some policy decision made from above because, judging by their experience, they were *expecting* their loses or gains from a certain policy change (or absence of it) to be minimal. In other words, while deciding on policies, party leaders had little to worry about the interests of others. (This claim is somewhat at odds with the mainstream literature on policymaking in socialist systems; we will turn to this issue at a later point.)

Such constellations of power granted the communist leaders an extraordinary capacity to bring about decisions on policy change. [50] As Deng, somewhere in the middle of his journey as a reformer, would note on this point:

> The greatest advantage of the socialist system is that when the central leadership makes a decision it is promptly implemented without interference from any other quarters...From this point of view, our system is very efficient. (Deng, 1983: 75).

If we look at the flow of policy-relevant information, however, it is difficult to see the system as being efficient. The availability of, and the templates used to interpret, the policy-relevant information was one major source of inconvenience for communist reformers (for an overview of the information problem, see Kornai 1992 127-30). First, the communist leader had one source for obtaining policy-relevant information: the bureaucracy**.** Some communist leaders tried to overcome this dependency by adopting a *theory-driven approach to policymaking* (as such, there was often a disconnect between the knowable reality and the policy change decisions). Second, there was a tendency or ethos to interpret policy outcomes and other policy-related information through the prism of their political and ideological implications. Those in possession of relevant information were expected to present (fabricate) the data in order to fit a particular narrative (for a more detailed account regarding this phenomenon, see Ellman & Kontorovich 1998). Furthermore, major policy blunders (particularly those of an economic nature) were pinned upon 'hidden enemies of the proletariat' or the 'selfish' and 'irresponsible' individuals found within the state bureaucratic agencies. In summary, there was little opportunity (or effort) for drawing lessons from policy outcomes. This created a vicious circle, particularly with regard to economic reforms. As Sakwa notes, 'There is a tendency for reform communists to deal with the economic consequences of reform by applying political measures, which in turn undermine the logic of the economic reforms' (1990: 274; see also Kornai 1992 on the politicisation of economic information).

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[50] For sure, if one takes a leader such as Leonid Brezhnev as a referent, one can arrive at the opposite conclusion: e.g. that the role of the leader is nothing more than to ratify decisions made by bureaucratic actors. However, this leads us to a previous point: the relationship between the leader and the bureaucratic actors was arbitrary and therefore prone to taking a few different forms. In other words, Brezhnev's willingness to delegate policy responsibilities is not necessarily indicative of something different than (personal) conviction (see Volkogonov 1998.

Based on the trends noted here in production and interpretation of policy relevant information we can infer that, when it comes to reforms, the communist rulers were flying blindly. Sometimes 'a bump in the road' would trigger a panic retreat – this was the case with Alexei Kosygin's reforms (1965-72). At other times a disaster would go unrecorded. It took several million deaths for Mao to realise the true, devastating consequences of his Great Leap Forward (Sun and Taiwes 2007: 626).

This mixture of hegemonic structures, bureaucratic monopoly over policy-relevant information (or the absence of 'market information'), the tendency to politicise economic information, as well as the tendency to take policy issues in the abstract, made reform communism a profoundly unpredictable enterprise.

Before turning to the next theme, let us consider in brief the idea of 'politics in command' and the concise roadmap it provided for the communist reformer. Now the actual phrase politics-in-command was coined by Mao and it was envisioned as a governing principle. Mao's idea here was simple: no aspect of social reality (science, technology, art and culture) should preside outside the realm of politics (see Mao 1969). However, 'politics-in-command' was not only a governing principle but also an appealing roadmap for the communist reformer. It was a simple roadmap based on the following ideas and principles: conflicts are the fuel of progress; mass mobilisation campaigns are essential for conflict and therefore for progress. Within this interpretive frame, questions of institutional design are reduced to political questions, such as 'Who decides?' Also, political will is seen as the most important variable: its absence is promoted as the root cause of all problems of socio-economic development, and its presence as being sufficient for their solutions. Lastly, the lines between planning and utopianistic thinking are blurred; by this I mean the means to arrive at some projected desirable future remain poorly specified and/or are justified predominantly in normative terms. (We will revisit 'politics in command' in Chapter 7)

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The pressures to reform and the basic challenges of reform communism

The pressures to reform the socialist system were both external and internal. Internally, as Brzezinski noted in 1966, the *cumulative failures of policies* and *unregulated* leadership struggles were bound to impose some major transformation or, alternatively, lead to the collapse of the system. Beyond that, each country carried its own burden. For the moment, let us focus upon external pressures.

By ‘external pressures’, I do not mean the direct (deliberate) efforts of capitalist countries to undermine communism but instead those pressures created by the growing gap in (scientific, technological, economic) progress between the two systems. Past the initial industrialisation phase, and once the revolutionary zeal had died out, it had become clear that communism had little to offer regarding the increasingly important goals of economic modernisation and social welfare. The *superiority of capitalism* in addressing such key issues became apparent (Sakwa 1990: 103). This gap in itself was not a cause of major concern – it became one due to the *interpretive filters* of the system.

In terms of achieving social control, communist elites were in a ‘good place’. The system was efficient in deterring (non-party sponsored) political action with only moderate use of direct coercion.[51] Moreover, the danger of a military coup was non-existent. Nevertheless, there was a growing dissatisfaction among the party elites from the situation at hand during the late nineteen seventies. Communist leaders fancied themselves as being the agents of ‘scientific socialism’: what they were doing was both moral and also adhering to objective laws (for the idea of ‘scientific socialism’, see Hirschman 1983:23). This ‘scientific socialism’ was in part a relational construct: a critique of capitalism and a proof of some better alternative (Lavoie 1985: 29). Initially, during the 1950s and the early 60s, there were plenty of reasons to be hopeful that ‘Marxism is almighty because it is true’. Literacy, healthcare, industrialisation: on each of these criteria, the trends were positive in most communist countries. However, the belief that their ’science’ proved and predicted suffered two blows during the 1970s. First, it became clear that communism would not take over the world; second, it became clear that the alternative (i.e. liberal democracy) was doing better in areas that were of the utmost importance to communists: economic modernisation and social welfare (Sakwa 1990).

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[51] The regimes’ commitment to full employment and developing the welfare state as well as the relative equalitarian distribution of goods within the society dulled the perception of being oppressed among ordinary citizens.

On an institutional level, the obstacles to progress were more or less clear. The organisation model – which was based on top-down directives in the form of central planning and other forms of social engineering and which lacked checks and balances or feedback mechanisms – proved over time to be too complex and inefficient and was one apparent candidate for change**.** The appointment system (i.e. the nomenklatura system), which nurtured patron-client relationships and did not reward competence, was another apparent problem (see Kornai 1992 chap 7). The question of *how* to fix these problems was unclear.

Reform communism was comprised of three key unknowns:

- Was the system capable of accommodating some of the tried and tested methods of capitalism? Was the 'market' an independent variable, as some would claim (Deng 1985; 1987, Hurrington 1989; Nove 1972) or was it inseparable from (liberal) democracy, as was argued by others (e.g. Djilas 1988; Bogomolov 1989; Brus 1981 Kornai 1992).
- Was it possible to transform the party from a 'run all' organisation into something more realistic (e.g. was it possible to differentiate the functions of the party from those of the state)?
- Was the *nomenklatura* system fixable or replaceable?

Concerning such questions (particularly the last two) there were no relevant precedents to examine. More importantly (given that the socialist system was a realm where theory provided legitimacy for action), there was no theory to rely upon either. Neither Marx nor contemporary western or eastern scholars and experts had some (or sought some) compelling answer to the challenges of reform communism. Such disinterest in the possibilities of reform communism was a consequence of the ideological confrontation between the two systems (Nolan 1994: 54). Depending on where one was standing,[52] communism appeared either as being capable of solving the problems of social life in their totality or as being incapable of solving them at all.[53]

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[52] Interestingly, it seems that access to information or experience was not a key factor in determining one's stance of the issue of adaptability/rigidity of the socialist system. Janos Kornai – who was not only a top government official in Hungary but was also personally acquainted with the Chinese experiments with market reforms during the early 1980s – is a case in point. He, for instance, argued that the only real benefit of introducing 'market socialism' is that it prepares 'the ideological ground for deeper and more radical movements in society' (Kornai 1992:511).

For the reform-minded communist elites, therefore, the challenge was twofold*: finding new practices and finding a new theory to explain those practices.*

It was a tall order, but, for better or for worse, communist leaders were not known for their restraint. In 1978, China under Deng's leadership enacted the largest peacetime transformational project in human history (Pye 1993). In the mid-eighties, the Soviet Union under Gorbachev followed a similar path. Gorbachev's perestroika, (a project perhaps even more ambitious than the Chinese one) carried the promise of delivering the true potential of socialism.

4.3 China and the Soviet Union: the settings and the build-up to reforms

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[53] With regard to the dynamism of the 'socialist system', a great deal depends upon where one looks. The fascination with finding new ways to organize society (for more on this, see Ulam 1970) in conjunction with the existence of hegemonic power structures often translated into bold social experiments in the communist world; and from this perspective the socialist system appeared to be dynamic. From another perspective, due to the absence of market or democratic mechanism, the system looked like a pressure cooker with no vents.

Table 4.2. Some particularities and contrasts between China and the Soviet Union

Country profile	China: -communist rule established in 1949 -predominantly rural population -ethnic homogeneity -regions are the basic sub-state geographical units ('self-sufficiency of regions' by design)	Soviet Union: -communist rule established in 1919 -predominantly urban population -ethnic diversity -republics are the basic sub-state geographical units (co-dependency of republics by design)
Historical antecedents to reforms	Reformism is preceded by a prolonged social and political turmoil (The Cultural Revolution). Mao's policies of 'stability and unity' during the 1973-77 era fail	Reformism is preceded by a prolonged period of stability (Brezhnev's era)
Variances in 'rules of the game'	The polity is comprised of Theory- 'universal truths'- and Thought -means and ways to translate those 'universals' into action	'Rules of the game' remain underspecified and uncodified. The order was pre-constitutional (Sakwa 1990)
Variances in policy dynamics	'Documentary politics'- seven stages from a draft proposal to a policy decision	Policymaking procedures remain ad-hoc or less sophisticated, relative to those in China
Variances in political dynamics	-first generation of revolutionary cadres still active -the army preserves a certain autonomy from the Party and is actively involved in the political struggles on an elite level -society is relatively active (mass protests in 1975 and 1978)	-third generation of party officials occupy the highest echelons of power (Andrey Gromyko being the notable exception) -tension between state and party actors based on separate institutional identities -society is passive

China and the Soviet Union had rather similar institutional constellations. In 1949, China copied the Soviet model of political and economic organisation (see March 2005). This dedication to bringing the Soviet rules of the game into the Chinese context continued for some time. 'China's 1954 constitution copied the Soviet system with its fatal defect: the lack of clarity as to ways in which party organisations related to state bureaucracies' (Gore 1998: 55). While the Chinese rulers were prepared to abandon some features of the Soviet economic model after the first five-year plan did not meet expectations (after 1958), the same is not true for the political model.

In both countries, from an institutional perspective, the political dynamics were shaped by the interaction among these organisations: The Politburo, the Central Committee, and Party Congresses. The state-party relationship (the state and the government refer to the same entity in the communist political discourse) was also quite similar in both countries. In the Soviet Union, the party controlled the government in two ways. First, through overseeing policies and making key decisions on policies, and second, through selecting appointees in the government (Kotz and Weir 2007). Much the same applied to China. ‘The Chinese system of party control over government’, writes Shrink, ‘is essentially identical to the Soviet system upon which it was modelled’ (1994: 58).

The similarities extend beyond the formal organisation and relationships and into the *real distribution of power*. In both countries, the Central Committee and party congresses exercised much less power than its formally designated one. In China, the CCP Central Committee activity was about ‘providing symbolic legitimation for decisions made elsewhere’ (Hamrin & Zhao 1995: xxix). In the Soviet Union, ‘party congresses were infrequently held and exercised no real authority, and individual party members merely carried out the policies set at the top’ (Kotz and Weir 2007: 23). The opposite was true for the Politburo in both countries. According to both the Chinese and the Soviet constitutions, the Central Committee had the authority to select the general secretary. In reality, the Politburo made the selection (Shrink 1994: 72).

The ‘dead letters’ were also similar. The soviets – in theory, key political organisations – were supposed to control the work of the government from below. In reality, they were but a rubber stamp for policies decided at the top (Kotz and Weir 2007: 18). China was similar in this respect. According to the Chinese constitution, both the people and the party had the right to oversee the work of the government (Shirk 1994: 67). However, only the Party exercised such power.

Hierarchical relationships were not the only game in town. For instance, in both systems, the party-government relationship was not purely one directional. There was instead a ‘reciprocal accountability’; however, top down authority was stronger than bottom up authority (Shirk 1994: 83-84). This ‘circular flow of power’ was complemented by vertical bargaining between economic enterprise managers and government officials and horizontal bargaining among economic agencies (for China, see Shirk 1994; for Eastern Europe, see Kornai 1980; 1992).

Looking beyond the similarities in institutional arrangements, unlike most of the communist countries, the Soviet Union and China (together with Yugoslavia, Cuba, Vietnam and a few other countries) had charted their own path towards communism through an internal struggle and civil war. They had their national heroes (or 'founding fathers') in the likes of Lenin and Mao. These creation stories enhanced the regimes' legitimacy.[54]

Second, in both countries, the changes started as an *internal* Party matter; the initiative came from the centre and arguably reflected the overconfidence rather than an insecurity of the party leadership. The determination of the party elites to engage in more than cosmetic changes is best reflected in the selection of Deng and Gorbachev as the new leaders of China and the Soviet Union.

Before assuming the leadership role, neither Deng nor Gorbachev fitted the profile of a typical party apparatchik. From challenging the relevance of the class struggle (see Deng 1956) and advocating a reintroduction of material incentives as a remedy for the problems with the economy (see Deng 1962), to calling for prioritising professional competence over ideological commitment (see Deng 1975) – Deng was challenging communist orthodoxy long before taking over leadership responsibilities. Although Gorbachev did not clash openly with the system before becoming the general secretary, in his publicly stated views (and even more so behind closed doors), he was seen to have more in common with the Eurocommunist than with his orthodox Party colleagues. The fact that both Deng and Gorbachev were outward- looking and progressive-minded party members is reflected in their frequent travels to and ties with the capitalist world. For instance, in his international tour, during the period 1977-8, Deng visited seven western and only one communist country (see Vogel 2011 chap.9 for more on this). Significantly, according to Henry Kissinger, Deng emerged as a key figure in Sino-US relations after 1974 (Kissinger 2010). Gorbachev's ties with the West and his willingness to look there for solutions to the problem of reform communism were also apparent. Before becoming the general secretary, he visited Italy, Spain, Germany, England and Canada and showed an interest in incorporating the ideas and practices from these countries into the Soviet system (for more on this, see Deluca 1998: 83-90).

It is important to note here that despite, or rather because of their unorthodox political profiles, both Deng and Gorbachev rose to power with the support of the 'core' of the Party. Gorbachev was acting as 'heir apparent' to the conservative Chernenko, and Andrei Gromyko, the last remaining member of Stalin’s Politburo, backed Gorbachev’s candidacy for general secretary after the death of Chernenko (Volkogonov 1998). Deng’s ascendance to power was a messier situation (see Chapter 5); nonetheless, the support of the party core was instrumental in his case as well. Chen Yun, one of the founders of the Chinese Communist Party, and the revolutionary military generals had arranged for Deng’s return to elite politics in 1977 and were subsequently supporting Deng in his efforts to overthrow Mao’s handpicked successor (see Vogel 2012 chap. 7).

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[54] According to Theda Skocpol (1979) social revolutions produce stronger states.

The similarities between China and Soviet Union, therefore, extend further than the notion of being ‘late developers’ and having somewhat similar institutional arrangements. First, rather than simply following global trends, both countries throughout history have shown the capacity and tendency to operate on their own terms. Next, both communist regimes had appealing creation stories. Moreover, both regimes responded to the ‘crisis of fate’ proactively through the selection of two progressive-minded, outward-looking leaders; those leaders in turn orchestrated the two most ambitious state projects of the second half of the twentieth century. These particularities set China and the Soviet Union apart from most of the communist countries and, at the same time, brought them closer to one another.

Dissimilarities and their controversies

Being the first and most powerful communist republic, the Soviet Union faced quite a different reform challenge than the other communist countries. These were some of the external pressures that the Soviet regime was facing: The seductive power of Europe was undermining Soviet influence over the Warsaw Pact countries; the strategic reduction of oil prices by the OPEC countries was undermining the economic power of the state; the new arms race imposed by the Regan administration was further depleting financial resources. The following questions burdened the Soviet leaders: Was the position of the Soviet Union as a leader of the communist countries sustainable? And, if not, what was the alternative? Nothing similar was bothering China.

Nationalism, said to be the Achilles heel of communism (Lipset 1994), could not show its potency in China. Particularities related to geography, history, institutions, and ethnic composition added different weight to nationalism issues in China and the Soviet Union. Few striking differences are worth noting here. As Vogel notes:

> The Soviet Union had expanded to a broad geographical area within the previous century by annexing minority groups that were either actively or passively resistant to Soviet authority. China, by contrast, had ruled most of its geographical area for over two millennia and was not overextended by occupying other countries resistant to its leadership. (2011:403-404)

In numbers, whereas Russians, the predominant ethnic group in the Soviet Union comprised less than 50 % of the total population of the Soviet Union according to the 1989 census, ethnic minorities comprised 6 % of the total population of China, according to a 1982 census. Moreover, whereas the Russian national identity proved to be at odds with the Soviet identity (and therefore a threat to the Soviet Union), the Chinese national identity posed no threat to the hegemony of the Chinese Communist Party. Put differently, in China, nationalism did not provide a platform for channelling the anti-party/pro democratic sentiments (see Meisner 1996: 26-27). Last, ethnofederalism, a key institution which provided the pillars for elite politics to take a nationalist hue in the Soviet Union according to Beissinger (2009), had no equivalent in China.

The pre-reform events also differed greatly in the two countries. Deng's era reforms were preceded by a prolonged period of political turmoil created by two grandiose and failed state projects (i.e. The Great Leap Forward (1958-60) and the follow-up Cultural Revolution 1966-73)). In contrast, Gorbachev's reforms were preceded by almost two decades of relatively uninterrupted bureaucratic rule (i.e. Brezhnev's era 1964-82).

Thus, it can be said that China and the Soviet Union were similar in many ways and different in many other ways.

Let us shift the focus for a moment from those variances to their interpretations in the social science literature. The overarching trend in the comparative literature on Deng's era and Gorbachev's era reforms is about relating those variances in conditions to a variance in reform outcomes. This is done in a rather peculiar manner. China had the 'advantage of backwardness' (Sachs and Woo 1994: 104). Soviet society forgot what private enterprise looked like (see Pei 1994 chap. 4).[55] China had the 'benefit' of the Cultural Revolution (Shirk 1994: 13). 'The [Chinese] economy was blessed with a small SOE sector' (Woo 2003: 19). Whereas China's culture and tradition were more receptive to the norms of Leninism, Russian culture and tradition organically rejected those norms (Brzezinsky 1989; see also Pye 1993). Geography, it is argued, provided another set of advantages for China. Thus, every grand force (from geography to culture and tradition) conspired for China to succeed with its reforms and the Soviet Union to fail.

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[55]. The underlying assumption of such arguments is that Gorbachev and those who lost their ability to act in accordance with the market were forces working in opposite directions.

I do not see that is necessary (or efficient, for that matter) to survey all the plausible ways in which different preconditions in the two countries can be related to the reformist processes and their outcomes in order to compare the efforts of the two leaders of interest to control those change processes. One cross-case disparity, however, cannot be avoided: the nature and strength of bureaucratic structures in the Soviet Union and China.

One popular interpretation states that China and the Soviet Union had tried similar reforms (Aslund 2002:95; also, Gorbachev 2001; Sachs and Woo 1997) but implementing them proved impossible in the Soviet Union. This, in turn, provoked different reactions from the reformers in each country – the Chinese reformers were content with what they had achieved, whereas the Soviet reformers had to think outside the box – and it explains why the reformist processes in China and the Soviet Union became so different in their subsequent stages. Here, the variance in bureaucratic structures is brought to attention and treated as being a key explanatory variable. The basic idea is that the Chinese bureaucracy posed a less formidable threat than the Soviet (state) bureaucracy (Shirk 1993: 12–13; also, Dittmer, 1989: 26–27).

The Soviet bureaucracy was nurtured for more than seventy years, longer than any other communist bureaucracy. What is more, under the slogan ‘Trust in Cadres’, the bureaucracy was left to flourish during the decades under Brezhnev (see Breslauer 1977). ‘Leonid Brezhnev delegated much of the political power down to the industrial ministries and regional party secretaries, leaving Gorbachev to contend with powerfully entrenched bureaucratic bosses’, claims Åslund (1994: 15). The Chinese bureaucracy was relatively younger (1949-). Furthermore, the Cultural Revolution had shattered the bureaucratic structures; it freed the Chinese reformers, according to conventional reasoning, from the ‘entrenched bureaucracy’ burden (for the strong/weak bureaucracy argument, see Dittmer 1989: 134; Tucker 1995; Walder 2016).

The notion that those discrepancies in bureaucratic structures were more than superficial carries a certain merit. The state bureaucracy, for instance, was more independent from the Party in the Soviet Union than it was in China (for the Soviet Union, see Huskey 1992; for China, see Shirk 1994). Soviet bureaucratic actors acquired some degree of institutional identity and there was, it seems, some antagonism between the party apparatchiks and the members of Gosplan[56] (see Ellman & Kontorovich, 1998: 88). In terms of expertise, for sure, the Soviet bureaucrats were superior to their Chinese counterparts (see Huang 1994: 115-7). However, proceeding from here to then explaining the different trajectories of the Soviet perestroika and the Chinese four modernisations requires a tremendous leap of the imagination. [57] For the moment, let us point out some basic features of the socialist system which made the 'bureaucracy problem' similar across the two cases.

> The incumbent of an office in the party bureaucracy (or, for that matter, in the state bureaucracy) has neither rights he can enforce within the bureaucracy, nor the certainty of tenure which he can protect: no independent method exists by which he can challenge the decisions of his superiors. (Schapiro 1970: 623)

This was as true for the Soviet Union as elsewhere across the communist world (Gustafson 1981: 158; Ellman & Kontorovich 1998: 87). The same principle applied to bureaucratic organisations. As Gorbachev's case vividly demonstrates, communist leaders were able to merge, deactivate, or transform the (formal) function of bureaucratic organisations with relative ease. [58] In essence, as Brzezinski and Huntington (1964: 197) noted, the power of the communist bureaucracies was 'on loan from the centre'. The only real power that bureaucrats and bureaucratic organisations could claim in the socialist system came from their *control over information*. Regarding this criterion, evidence suggests that, at the onset of the reforms, the Chinese bureaucracy was as potent (i.e. problematic) as the Soviet one.

The history of the Chinese bureaucracy is also worth mentioning here. During the industrial age, due to its inward-looking culture and inability or unwillingness to adopt the ideas of modernity (Rozman 1999:384), China was lagging behind the rest of the world in terms of industrialization, commerce, and transportation (for a survey of the various scholarly views on China's development during the 18th and 19th centuries, see Xiaodan 2012). From such a perspective, it is acceptable to speak of China as being a backward country; however, the same is not necessarily true when it comes to its bureaucracy. The story of the Chinese bureaucracy did not start with communism. China's bureaucratic system was, in fact, the gold standard throughout the past, copied by neighbouring countries, such as Japan and Korea (Kang 2007: 45-49). After 1949, the Chinese bureaucracy went from strength to strength, particularly during the Great Leap Forward (1958-60) and the Cultural Revolution (1967-73). Although the Cultural Revolution targeted the bureaucrats and bureaucratism, in reality, it enhanced the power of the bureaucracy in two ways. First, the bureaucracy was entrusted with even more responsibilities than ever before. 'The remaining vestiges of private enterprise and private property and 'the limited amount of personal choice that had been allowed earlier in matters such as job assignments and university enrolments' were eliminated (Whyte 1985: 9; see also Harding 1981; Lee 1992). Second, the bureaucracy gained a de facto monopoly over policy-relevant information during the Cultural Revolution.[59] As Naughton notes:

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[56] Gosplan was the largest and most important bureaucratic organization in the Soviet Union. Its function was to secure material balances—i.e., setting production quotas and the prices of products.

[57] To accept the argument that the policies of perestroika stumbled in their implementation, is to ignore the fact that Gorbachev's policy decisions (which occurred despite the recommendation of the experts and bureaucrats) had a flawed design (for more on this, see March 2006: 59: Sakwa 1990; Ellman and Kontarevich 1998; Hewett 1995)..

[58] Gorbachev did not invent this trend (on melding bureaucratic organisations during Khruschev era, see Berliner, 1983: 383)

> During the Cultural Revolution the State Statistical Bureau was reduced sharply in size, and most of its functions were incorporated into the planning commissions at all levels. This meant that the government sacrificed a semiautonomous source of information and became completely dependent on information channelled directly through the industrial hierarchy. (1992:250-1)

It should be noted here also that the reforms in China did not start immediately after the Cultural Revolution. There was instead a five-year period (1973-78) during which the emphasis was placed upon 'stability and unity' (see Taiwes and Sun 2007). Although the political turmoil at the top continued during this period, the bureaucratic structures were not affected by it. [60]

Accordingly, after taking over the leadership responsibilities (i.e. after 1978), Deng faced a typical predicament. As Vogel (2011 :113; 388) notes, Deng realised that the bureaucracy 'was too large and diverse to be his personal instrument' and the Chinese reformers were forced to work outside the regular bureaucracy because of its power.

There are two points to be made here. First, the often made claims about the relative strength of the Soviet bureaucracy and the relative weakness of the Chinese bureaucracy are convenient – as they allow for a parsimonious treatment of the issue why the Chinese reforms exceeded expectations and the Soviet reforms failed – but they rest on a problematic interpretation of what constitutes bureaucratic strength or weakness. The strong weak/bureaucracy argument makes sense only if the 'bureaucracy' is understood as an instrument – not of the political leader but of those individuals who occupy positions within the bureaucratic structures and act rationally to protect their privileges. This is a dubious proposition (from the perspective of the socialist system), primarily because it inflates the importance of those privileges and the autonomy of those bureaucratic actors. If, however, we use rules and procedures as a measuring stick for bureaucratic strength – the extent to which formalised, standardised, rule-based and impersonal elements govern state affairs and the interactions between the state and the society – and put the Chinese and the Soviet/Russian bureaucracy side by side (at any point in history), then the claim that the Chinese bureaucracy was not that entrenched or weak would appear as being awkward. Second, my position that Deng and Gorbachev faced a somewhat similar problem in the bureaucracy is not about ignoring the historical trajectories of bureaucratic politics in each country; instead, it is about rejecting the interpretation that the Cultural Revolution turned the Chinese bureaucracy into a paper tiger.

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[59] Halpern notes,' It appears that policymaking in the Maoist era was generally a functionally specialized process, in which the main ministry involved often acquired a de facto monopoly on the information supplied to the top leaders about potential policy decisions. This dispersed expertise created a fragmentation of authority and the inability to coordinate policy.' (1992: 129).

[60] Pye (1986) writes, 'the most astonishing aftermath of the Cultural Revolution was the speed with which institutional chaos was replaced by orderly hierarchies and regularized bureaucracies once the "left" had been defeated. In a matter of only a few years the skeleton organisations, which existed barely in name after the turmoil, were miraculously staffed with disciplined participants'.

The themes of the similarities and dissimilarities of China and the Soviet Union are by no means exhausted here. At this point, it would be useful to remind ourselves that this research tries to consider the two cases of reforms in their generalities and for the purposes of devising some general points.

4.4 The 'reformist approach' as a common ground for comparing and contrasting the two cases

The pages below reiterate the points about reformism and leadership raised in Chapter 2 and show how the two cases align on such criteria. Reformism is about seeking goals legitimacy within the existing order. 'Change is progress', according to the reformist template, and the issue at hand is framed as being one of socio-economic development. Confined to such value-neutral objectives, but under pressure (for reasons both subjective and objective) to bring substantial change, leaders here will declare a war on bureaucracy and a war on economic underperformance.

Table 4.3. The typical reformist goals of Deng and Gorbachev

	Deng	Gorbachev	Deng	vs Gorbachev
Seeking within system legitimacy	Deng's Four Cardinal principles: keep to the socialist road; uphold the dictatorship of the proletariat; uphold the Party leadership; uphold Marxism-Leninism-Mao Zedong Thought	'We are conducting all our reforms in accordance with the socialist choice. We are looking within socialism… for the answers to all questions that arise' (Gorbachev 1987: 36)	Reinterprets Maoism to fit the ideas of competition and entrepreneurship**.** Coins the term 'socialism with Chinese characteristics '	Separates the 'socialist idea' from the real polity (and takes the former at face value). The 'Socialist idea' becomes a key policy referent
Economy	'[E]conomic development is the pivot… All other tasks must revolve around the pivot and must absolutely not interfere with or upset it' (Deng 1980: 182)	'The main question now is: how and with what resources will the country be able to accelerate socio-economic development?' (Gorbachev 1986: 14)	Emphasises the 'market method' (profit, competition, entrepreneurship). Transformation of the built-in incentives	Emphasises the 'democratic method' – workers self-governance. Actualisation of the built-in incentives rather than their replacement
Bureaucracy	'The damaging effects of bureaucracy in our organisational structure and work methods are visible on every side.' 'So far as methods of management are concerned, we should lay particular stress upon overcoming bureaucratism.'(Deng 1979)	The ministries, in their present form,… have ability in swaddling up everybody and interpreting the decisions …in such a way that after their application nothing is left of them. (Gorbachev: 1985)	- Identifies the problem of bureaucracy as institutional and structural [61] -Reforming the ways of thinking *cannot* precede reforming the relevant systems(Deng 1980: 238)	-Identifies the problem of bureaucracy as behavioural; little attention to the structural causes of the problem. -'Psychological restructuring of cadres' is a prerequisite for overcoming bureaucratism[62]

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[61] 'Hierarchical relationships' and poorly defined institutional roles were the root of the problem according to Deng (see Appendi B)

[62] Gorbachev speech at the 27th Party Congress.

Both Deng and Gorbachev adhered to a typical reformist goal, and while they did not take the exact same approach, the differences can be treated as alienable– that is to say, differences relating to similarities.

Deviation from established norms was pointed out in Chapter 2 as being another distinctive feature of reformist leadership. Tables 4a and 4b illustrate the 'negative' relationship between the norms and standards established by past state projects and the reformist initiatives of the leaders of interest.

Table 4.4. Gorbachev's policy guidelines as a subversion of the legacy of past state projects

Legacies of past state projects	Gorbachev's new guidelines and principles
Brezhnev's era: Grandiose schemes of social engineering are abandoned; stability and 'cadre stability' is prioritised (era of 'developed socialism')	-Social engineering returns. Anti-alcohol campaign (solving the alcohol culture through a decree). Mass media are essential tools for the psychological reconstruction of cadres and making the masses more receptive to the ideas of perestroika. - The policy of cadre stability is replaced with 'permanent purges'
Stalin's era: Any pretence that the party will operate on democratic principles is abandoned; secrecy over party affairs, 'terror' politics, a culture of fear, pervasion of justice	-'More democracy, more socialism' becomes the key reformist maxim. - The idea that 'elected bodies should have greater authority over executive ones' guides the political reforms [63] - commitment to greater transparency in state affairs and inclusiveness in political processes (collectivisation of the land is neither addressed in practice nor framed in negative terms)
Lenin's active legacy: the' legal state' is a bourgeois tool and antithetical to socialist values. 'End justifies the means' emerges as the key operating principle	-Rule of law is given primary importance[64] (socialist legal state). *Realpolitik* is rejected in both politics and policy matters –'ethics of intention' replaces it.

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[63] (Gorbachev 1987: 321-5)

[64] Democracy cannot exist and develop without the rule of law (Gorbachev 1987 : 105)

Key notes: this is not an exhaustive list of Gorbachev's policy initiatives. The aim here is only to show how perestroika gained its distinctive features by building negatively on the active legacy of Gorbachev's predecessors.

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Table 4.5. Deng's policy guidelines as a subversion of the Cultural Revolution legacy

	Mao	Deng's new guidelines and principles
Social organisation	-Class struggle is the 'key link' -'Experts' are ideologically suspect and obsolete; 'proper political thinking' is more important -Political theory is a vantage point for everything (science, arts, management)	-Class struggle is meaningless and harmful - Experts are as valuable members of the society as ideologues and proper ideological thinking is an overrated criteria -Political theory is *not* a substitute for science (or arts, or management)
Power structures	-Cult of personality -Overconcentration of power -System of recommendations	-Cult of personality is a feudalistic remnant and a key culprit for the current predicament -Compartmentalisation of power - Merit-based recruitment and promotion criteria
Development principles	Moral incentives – rejection of materialism and individualism	Material incentives – opportunities for profit are essential for economic development
	Theory-driven approach to policymaking. Policies must align with Mao's Thought	Problem-driven approach to policymaking. Ideology/theory is to be adjusted based on policy realities. 'Cat theory'.
	Central role of propaganda. 'A clear sheet of paper [the Chinese people] has no blotches and so the newest and most beautiful words can be written on it.' (Mao in Kung 1975:292)	Peripheral – propaganda should no longer be used as a substitute for systemic reforms.

Key notes: Deng lays down the new guidelines during the Third Plenum of the 11th Party Congress in 1978. They are further elaborated upon in his June 1980 speech "On the Reform of the System of Party and State Leadership".

Both Deng and Gorbachev adhered to some peculiar principles as reformers. For Gorbachev, it was the rejection of instrumental rationality.[65] For Deng, it was the voluntary abdication of control over the propaganda tools.[66] In these oddities, we can trace the similar intention or desire of the two reformers to do things differently in order not to replicate the results of their predecessors. The two cases are comparable, therefore, not because they have the same design but because they have one; also, because in both cases we can use leadership as lenses in order to identify the design of reforms, and turn to leaders' motives in order to understand the genesis of those design elements. Intensive and extensive policy activity was pointed out in Chapter 2 as being another distinctive feature of reformism. The next two tables show how each of the cases adheres to such criteria:

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[65] Generally speaking, political leaders tend to switch to instrumental rationality in moments of reformist enthusiasm. (Though they tend to return to 'value rationality' when fear replaces hope.) From such a perspective, Gorbachev's explicit rejection of instrumental rationality seemed odd.

[66] Deng's dismissal of propaganda was odd in the sense that the powerful propaganda machinery was a key resource at disposal of the communist leader. Moreover using the microphones was not just a right but a duty of the communist leader.

4.6. The synergy between the reformist principles and the policies of change in China

Development of the non-state sector	1979: De-collectivization of the land	1980: Special economic zones	1980: Individual household responsibility systems
Redefinition of the state economic sector	1980: Fiscal contracting schemes (aka 'eating in separate kitchens') for the regions. Provinces compete for their share of the budget. Negotiations among the central authorities and the provinces resulting in contracts with varying terms.	1980: Restructuring of the SOE- profit introduced as a key metric. 1982: More than 80% of the SOE. 'Profit contracting schemes' negotiations resulting in contracts with varying terms	Price liberalization reforms-dual-pricing system, followed by marketisation of prices of many staples
Restructuring of the governance structures	1980-2: Redefinition of the leadership institution -Party Chairman office replaced with a General Secretary -The Premier's institutional position is strengthened -For the first time, different individuals hold the top positions in the party, the army, and the government.	Separation of the Party and the state - the 'dual hierarchy' system is weakened -The government innovates-- in charge of economic policy-making The party evaluates and corrects-- in charge of macro-economic matters and long-term strategic goals	'Professionalization' of government and weakening of the nomenklatura system -'Merit-based recruitment policy'; entrance exams for state officials; 'Career incentives'– promotion criteria based on economic performance
Educational reforms (Deng's personal initiatives)	1977: 'knowledge based' entrance exams replace the Maoist system of recommendations. The criteria of 'proper class thinking' and 'proper background' is removed.[67]	1979: Liberalisation of education The works of Karl Deutsch, Huntington, Lipset, Shmuel Eisenstadt are included in the official curriculum at universities. Academic mobility schemes are introduced (scholars and students are allowed to study abroad)	1980: The Party retreats away from science -Chinese Academy of Social Sciences is created -Establishment of independent think thanks for social and economic research is allowed

Key notes: Deng 's speeches were used as an informal blueprint (and legitimisation tool) for the reformist policies.

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[67] 'For the first time since the Communists ruled China, class background was not a factor in selecting those to be admitted to university. Enrollment was entirely based on merit as measured by examination scores' (Vogel 2011: 176)

Table 4.7. The synergy between the reformist principles and the policies of perestroika

<table>
<tr><td colspan="4">Democratizacija</td></tr>
<tr><td>Democratizing the decision-making procedures in the economic enterprises</td><td>Constitutional reforms[68]</td><td>Legislative reforms</td><td>Judicial reforms</td></tr>
<tr><td>1987: Law on State Enterprises. Workers Councils elect enterprise managers; democratic control over production decisions. Reminiscent of the 1917-18 factory committees
(Focus is upon democratizing the relationships among actors instead of professionalisation of cadres)</td><td>1988: Constitution changes its function from declaratory to explanatory (key change)
-Individual liberties rather than class interest are put forward
-The CPSU is stripped of its legislative and judicial powers (no longer the ultimate judge of what is legal and tolerated in the name of class interests)</td><td>1988: The soviets are turned into key legislative bodies. The Congress of People's Deputies elects the Supreme Soviet
The Supreme Soviet acts as parliament.
The Leninist principle 'All power to the soviets' is brought into reality.</td><td>1988: -'Telephone law' is abolished
-The Vyshinskii approach to justice is discarded
1989: creation of USSR Lawyers' Union
-The Law on the Status of Judges (higher judicial bodies are granted independence from the party- controlled Ministry of Justice)</td></tr>
<tr><td colspan="4">Glasnost[69]</td></tr>
<tr><td>Liberalisation of information and mediatisation of politics</td><td>Revision of state history</td><td colspan="2">Inclusion of the Soviet intelligentsia into political life</td></tr>
<tr><td>1986: media invited to openly criticise transgressions of state officials (past and present)
1989: People's Congress sessions are televised</td><td>1987: committees for dealing with Stalin crimes are established[70]
-rehabilitation of victims of political purges during the 1930-1940 period
-renaming of public spaces</td><td colspan="2">1986: 'liberal takeover' of the mass media
-the percentage of intellectuals in the Supreme Soviet doubles after 1988 (never before or after perestroika had the intelligentsia been given such a prominent role in state affairs)</td></tr>
</table>

Key note: the initial investments in heavy industry, the anti-alcohol campaign and quality control programmes were also a part of perestroika, and they were as equally consequential as the policies of glasnost and democratizacija in shaping the outcomes of perestroika.

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[68] 55 of the 174 articles of the 1977 Brezhnev constitution were changed during 1988.(Sakwa 1990 131**)**

[69] Glasnost, in Gorbachev's words was about 'effective form of public control over the activities of all governmental bodies…and a powerful lever in correcting shortcomings' (Gorbachev 1987: 79)

[70] The October 1987 plenum of the Central Committee established a Politburo commission to examine materials on the repressions of the 1930 and the 1940' (Sakwa 1990: 96)

Conclusion

It should be noted here that the tables in this chapter are descriptive; they are not part of this research analysis. Their purpose is to highlight the comparability of the cases within the category of reformism. It stands that this ‘naked’ presentation of Deng’s and Gorbachev’s similar reformist objectives their subversive attitudes towards past state projects, and intensive policy activity that occurred under their rule says little on its own. Such activities have to be related to the concrete institutional and political contexts and preferably considered through the prism of success or failure. This is a task for the next two chapters.

Before proceeding, let us revisit and devise a more concrete answer to the question: ‘Why compare?’ The key motive for comparing is to show what the usual templates used to dichotomise the Deng’s era and Gorbachev’s era reforms – i.e., gradualism/radicalism, politics/economics, entrenched/not that entrenched bureaucracy – miss and misrepresent. Additionally, the motive is to offer alternatives that are empirically and logically sustainable and which preserve general applicability. By doing so, this research addresses a more live issue than the collapse of the Soviet Union and the transformation of China. Namely, it highlights the distinctiveness of the leadership approach and challenges the assertion that such an approach draws out only the obvious and/or the idiosyncratic features of institutional change processes.

CHAPTER 5

How leadership has structured institutional changes in China: Deng and the Four Modernizations policies

5.1 Introduction

In ten years, Jiang Zemin should step down from his top posts and Hu Jintao should succeed him: these were Deng's final instructions for the Party in 1992 (Naughton 2007:125). In accordance, as Hu replaced Jiang Zemin as the head of The Chinese Communist Party (CCP) in 2002, there was no succession crisis, just an extraordinary orderly transfer of power. The transfer of power to Xi Jinping in 2012 followed the same script. Deng's influence on the behaviour of his successors is also evident from the following. Upon assuming power, Xi Jinping travelled south; he followed the same route as Deng did in 1992 and echoed his predecessor by calling for 'reforms' (*China Brief*, December 14, 2012). Xi used the Third Plenum of the Party Congress in order to outline his reform program. The referent here was the Third Plenum of the 11th Party Congress from 1978: the moment when Deng took over leadership responsibilities and China took the path of reformism.

The observations made above are about certain stable, valued and recurring patterns of behaviour that have clear and palpable connections to Deng's (non-routine) actions as a reformer. It appears from here that *the institutional changes from Deng's era were so radical and so intertwined with Deng Xiaoping's leadership that his successors have been left with little else to use as a frame of references for their actions other than Deng's words and deeds.*

That appearance of radical change is considered as deceptive by mainstream social science. According to such literature, the overarching features of Deng's era reforms were 1) absence of radical departures from the status quo and 2) absence of deliberate design. [71] The 'ideology of balancism', 'second best strategies', 'delegation by consensus', and 'reciprocal accountability’ (Shirk 1994), ‘reforms without losers’ (Lau et al. 2000; Naughton 2006), ‘bilateral monopoly’ and ‘policy indecisiveness’ (Naughton 1992;1995;2009): all these concepts are used to illustrate and explain the nature of Deng’s era reforms. Instead of considering each of these concepts individually, I will take a shortcut here and focus on the theory that supports them.

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[71] Barry Naughton for instance argues that 'reforms have been gradual and evolutionary ... Reforming without a blueprint, neither the process nor the ultimate objective was clearly envisaged beforehand ... (1995). For a similar argument, see Rawski 1995

Incremental change, according to Lindblom and Braybrooke, is ‘endless’; it takes the form of an indefinite sequence of policy moves’ (1963:71). Fitting them into this template, the changes in China in the post-Mao era are portrayed as being a sequence of never-ending steps in the transition to a market economy fostered by a permanent political competition but no real political triumphs to disrupt the equilibrium. ‘Before 1989, China was pursuing an incremental transition to a market economy under the tutelage of the Communist Party, and the same is true after 1989’, writes Naughton (2009*)*. The process of incremental transition to a market economy, according to Naughton (2008), is still taking place in China.

Incremental change is one without design; or rather, it has design but no architect. The ‘policy process is one of disjointed incrementalism or muddling through’ (Lindblom 1980; see also Lindblom 1965).[72] While dealing with the first five years of Deng’s era reforms, Naughton states: 'Unable to dominate events, the government has had to scramble repeatedly to "put out fires" and prevent disastrous outcomes' (1985:224). The Chinese reformers were simply unable to 'formulate a consistent program of economic changes' (ibid). The same author recognises the coherence of those reforms but identifies its sources in the institutional environment. ‘The Chinese reforms are interesting because institutional conditions shaped a chaotic and inconsistent set of policies into a coherent process’, he writes (1994: 472). Shirk, another prominent scholar on China from the instrumentalist camp, argues similarly: ‘the Chinese reforms have been unplanned and have achieved a life of their own.’ (1989: 352). The word ‘strategy’ appears in such texts only to highlight that ‘it was not an intentional strategy’ (Naughton 2006: 95). The change processes in China after 1978 are categorised as being transitional (i.e., as having a clear destination), while the Chinese reformers ‘literally did not know where they were going’ (ibid.86).

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[72] In Charles Lindblom’s writings incrementalism has two faces: it can be 1) a consciously developed strategy in light of available alternatives (i.e incrementalism as a method), or 2) a reflection of the distribution of power among political actors (i.e. incrementalism as a process) (see Lindblom 1979; on the distinction between method and process see also Wildawsky 1979). Whereas the former type of incrementalism can be a product of centralised power; the latter requires its absence. The ‘incrementalism as a process’ version predominates in the mainstream literature on Deng’s era reforms.

Incremental policymaking, in one version, requires many actors with a mutual veto power. ‘Countries with many veto players will engage in only incremental policy changes’ (Tsebelis, 2000: 464) In accordance, the focus and analytical vantage point of the mainstream literature on Deng’s era reforms is the fragmentation of power in China. Naughton finds that power in China was ‘fragmented at the top’ (2008); Shirk identifies this phenomenon on the level of bureaucratic organisations (1994); Leiberthal and Lampton label the Chinese system as being ‘fragmented authoritarianism’ (1992).

The ‘fragmentation of power’ is treated as being something that pre-exists and operates independently from Deng’s leadership. Deng appears, in such accounts, as someone who had stability as an overriding priority; as a policymaker, he acted without a blueprint (see Naughton 1995); and, as a politician, like everyone else, he remained preoccupied with short-term political gains. In other words, Deng did not stand in the way for the particular power constellations in China to do their causal work. The name of the policy game played in China, according to such accounts, was ‘consensus seeking’. It was a game with rather rigid rules. According to Shirk, ‘each individual reform policy had to be implemented by a consensus that resulted in the gradual introduction of reforms’ (1994: 128).

Incremental change is comprised of a stasis in one area (politics or economics) and change which is only incrementally different from the status quo in another (see Lindblom 1965). In accordance, the Chinese reforms are labelled by incrementalists as’ gradual market reforms in the absence of political reforms’.

The social science literature on Deng’s era reforms is vast, and, naturally, not all agree with the model: ‘fragmentation of power’→ ‘bargaining/ consensus seeking’→ ‘incremental (economic) change’.[73] Here, however, we will draw attention to the fact that Deng, through his words and deeds as a leader, provides us with a radically different angle on those processes. Deng himself promoted the narrative that the change processes in China under his rule were evolutionary and spontaneous (see *Deng’s Selected Works II* and *III*). What he did not see were those institutional and political obstacles to decisive action. In his own words:

> The greatest advantage of the socialist system is that when the central leadership makes a decision it is promptly implemented without interference from any other quarters…when we decided to establish the special economic zones, they were soon set up. We don't have to go

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[73] Lucian Pye (1993), Frederick Teiwes (1995) and, to some extent, Ezra Vogel (2011) are some of the scholars who are sceptical about the application of incremental models of policymaking to Deng’s era reforms.

> through a lot of repetitive discussion and consultation, with one branch of government holding up another and decisions being made but not carried out. From this point of view, our system is very efficient. (Deng 1983: 75)

In the above text, Deng does not make some empty proclamation about the efficiency of the socialist system. Rather he asserts that, what is now recognised as the most significant policy decision from Deng's era (i.e. the establishment of the special economic zones), was made possible by the efficiency of that system.

As regards the fragmentation of power, Deng gave the following interpretation:

> Historically, we ourselves have repeatedly placed too much emphasis on ensuring centralism and unification by the Party, and on combating decentralism and any assertion of independence…Now that we are engaged in the extremely difficult and complicated task of socialist construction, over-concentration of power is becoming more and more incompatible with the development of our socialist cause. The long-standing failure to understand this adequately was one important cause of the ``Cultural Revolution", and we paid a heavy price for it. There should be no further delay in finding a solution. (Deng 1980)

From Deng's perspective, 'fragmentation of power' was not rooted in the then present but in a desirable future. The present in China during the post-Mao era, according to Deng's interpretation, was comprised of servile, scared individuals, performing undefined institutional roles, whose actions on an aggregate level did not, and could not, amount to an expression of organisational interests.[74]

Deng's view on the institutional environment in China seems 'old', as it draws attention to the system (as opposed to the sub-systems) and its self-evident features (e.g. the principle of 'democratic centralism' and the ban on factionalism, the fusion of politics with economics, the culture of fear) as opposed to its hidden, counter-intuitive components. The analysis below is driven by the following idea*: looking at Deng's words (and deeds) can be a simple but potent tool for both identifying points where incrementalist accounts of Deng's era reforms falter, and deriving a coherent, plausible (if incomplete) story of Deng's era reforms.*

In line with such reasoning, this chapter diverges from incrementalist accounts, first, by drawing attention to the relationship between Deng's exercise of power and the orderness of the Chinese reforms. Whether we focus on the ideational foundations of the reformist policies, the policy-making and implementation and evaluation procedures, or the unfolding of the actual reform processes in China, as will be shown below, there was much more orderliness than the incremental models would permit. This chapter also challenges the claim that stability was the overriding principle for the Chinese reformers and that those processes were characterised by ‘low decisiveness’ or policy indecisiveness. Last, this chapter deals more directly with the problem of labelling Deng’s era reforms as ‘economic reforms’. The ‘economic reforms’ label is not only awkward from the perspective of the socialist system, and empirically contestable, but also overlooks the most important changes brought about by Deng’s era reforms. The key change under Deng was about *how policy is made*. In particular, gathering and assessing policy-relevant information, the criteria for perseverance or the termination of a certain policy, the relationship between policy-making and implementation, and between theory (ideology) and policy: these were the parameters that underwent significant and deliberate changes under Deng.

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[74] According to Janos Kornai this was the reality of all socialist systems. The socialist system was a realm where 'servility and a heads-down mentality prevail' (Kornai, 1992: 121).

The following questions are used to structure the analysis in this chapter: What were the conditions or the problems that enabled China to pursue a reformist course during the late nineteen seventies? What were the proposed solutions to those problems (i.e., the reformist agenda) and what problems arose from those solutions? How the change processes during the nineteen eighties turned from non-antagonistic to antagonistic – i.e. how the reform consensus turned into reform induced-crisis? If, and how, the reformist policies were successful in bringing a new kind of normalcy? And how did Deng as a leader relate to those processes and outcomes? Intersections between mainstream social sciences and the realities of Deng’s era reforms are considered at the end. In this context, this chapter utilises the particular in order to say something about the study of institutional change. In particular, the focus is on the leap from the sensible idea that it pays off to consider institutions as actors (see March and Olsen 1984), to the tenuous practice of stripping real actors from their capacity or opportunity for acting coherently and deliberately. This chapter will show how this practice tends to give a distorted perspective on the relationship between leaders and institutional change and puts in perspective the plausibility of the alternative.

5.2 The background to Deng's reforms

The structural preconditions

The fact that Deng's era reforms had economic development as their most external feature was no surprise. Economic development had been a persistent, contentious issue for communist China. As Mao would ominously note in 1949, 'The serious task of economic reconstruction lies before us. We shall soon put aside some things we do well and be compelled to do things we don't know well. This means difficulties' (Mao's *Selected Works* 1969 Vol. 4: 322).

Mao's Great Leap Forward, the Cultural Revolution and Hua's Ten-Year plan were in some sense efforts to address this issue. Nevertheless, no matter how ingenious the plan was, the outcome of these reform initiatives was roughly the same: rather than reinvigorating the national economy, they would unleash some destructive forces. In the process of crafting new ways for economic development, The Great Leap Forward (1958-61) claimed the lives of, by some moderate estimates, 45 million ordinary citizens (see Becker 1996; Leiberthal 1997). The Cultural Revolution (1969-73) destroyed most of the scientific community in China, wrecked institutional life inside the Chinese Communist Party (CCP), [75] while also creating a degree of antagonism between the army and the party that would eventually bring China to the brink of civil war (see Macfarquhar 1997: 241-47; Vogel 2011). This downward spiral continued with Mao's designated heir. Hua's short-lived Ten-Year Plan would bring the state finances to a new low (Baum 1996). One could point here to Mao's brand of communism, but the truth of the matter is that this pattern of grandiose projects missing their mark, especially in the economy, is observable, as Goldman and Macfarquhar point out (1999), even before communism in China.

Economic realities did more than just confront the communist rulers with their incapacity to manage the economy by 1978. State loans exceeded foreign currency reserves. Moreover, about 40 per cent of the total urban population relied on grain imports (*World Development*

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[75] ' Outside Mao's immediate circle, the institutional life of the CCP withered away' notes Macfargur (1997 241-247). 'During the Cultural Revolution-a catastrophe for all of China-formal legal institutions became totally irrelevant', argues Vogel (2011).

Report 1986: 104). Mao's philosophy of self-reliance was crumbling. [76] Moreover, while the Chinese peasants grew accustomed to the equalitarian values promoted in Mao's China, the threshold of their endurance was about to be breached by the late nineteen seventies. The grain per capita production in 1977 was less than in 1957 (Ruan 1994: 70), and the Chinese peasants were hit hardest by this. Approximately one in four rural residents was facing starvation on a daily basis (Becker 1996: 261). The self-initiative of the people of Anhui province— people there ignored the law and started selling the goods they were producing— reflected the level of desperation that existed in rural areas (see Ruan 1994: 65-75). The economic situation in the cities was only marginally better, but no less problematic. In 1978 and 1979, after the Cultural Revolution ended, an estimated 7 million young people returned from the countryside; an additional 20 million former urban residents returned tothe cities in the early nineteen eighties (Vogel 2011: 383). The state enterprises simply lacked the funds to hire them and alternatives to state employment were prohibited by law. In other words, this was another problem *that could neither be ignored nor had any apparent solution within the existing polity.*

The key problem, therefore, was more or less well defined for communist China: an unsustainable economic model and a degree of economic underperformance that, for the sake of the survival of the communist regime, could no longer be tolerated.

The decision to reform and its political context

> This is the struggle between two classes, two roads, and two ideologies. One [Deng's version] is to return to the capitalist road, toward the darkness, and the other [Mao's version] is the road to communism, leading to brightness.
>
> -A Red Guards poster from the Cultural Revolution period

Deng Xiaoping was not chosen by Mao to lead China. Chairman Mao did his best to prevent such a scenario (see Vogel 2011 chap. 4). However, as Hirschman argues in his *Bias for Hope* (1971), actions aimed at preventing certain outcomes will often have an opposite effect to the intended one. Deng's third return to elite politics and his subsequent becoming the de facto leader of China is a textbook example of such dynamics.

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[76] After the split with the Soviet Union, Mao vigorously enacted policies of self-reliance. The 'self-reliance' principle had two dimensions: first, each province was to be self-sufficient, and secondly, restriction of foreign trade to goods that China could not produce for itself.

In 1976, the terminally ill Mao promoted Hua Guofeng—a member of the new generation of party cadres who rose to prominence during the Cultural Revolution—as his successor. Mao’s words of support for Hua were the following: ‘He is loyal, honest, and not stupid’ (quoted in Taiwes and Sun 2007: 493).

Hua’s brief reign was mired in contradiction in the sense that he wanted to be both a reformer and a Maoist, notes Boum (1996). Mao went by the name ‘The Great Leader’, and Hua promoted himself in the mass media as being ‘The Brilliant Leader’. Mao said whatever he had to say, and Hua adopted the ‘whateverist’ doctrine: ‘We will resolutely uphold whatever policy decisions Chairman Mao made, and unswervingly follow whatever instructions Chairman Mao gave’ (for more on this doctrine, see Ruan 1994: 20; Baum 1997). His devotion to Maoism was far from being purely discursive. Following in Mao’s footsteps, Hua supported and tried to expand the equalitarian methods in the agricultural sector and reallocated even more resources to developing heavy industry (Baum 1997: 320). Under his rule, heavy industry’s share of capital investment was at its highest level ever at 55%’ (Shrink 1994: 207).

Hua pushed forward with an ambitious (in projections and expenditures, at least) ten-year reform plan. Unimaginatively, but typically for communist reformers, an increase in steel production and an extraction of natural resources was supposed to drive the economic growth (Ruan 1994:103).

Hua referred to his reforms as being the Modern-Day Leap Forward. The reference to Mao was maintained here and so was the irony. A series of fiascos then followed. For example, one capital investment involved importing Japanese technology and factories, which in turn were not suitable for the resources available in China. Billions of dollars, which were borrowed from abroad, were wasted, according to Baum (1996: 55-56). In addition, Hua’s plan to revitalise the economy by increasing oil exports, as it later turned out, was based upon natural reserves that did not exist (see Vogel 2011).

Ill-fated economic decisions struck the first blow to Hua’s authority. The second blow came from politics. In 1976, Deng was sent into another political exile by Mao, and Hua was planning to keep him there: ‘Criticizing Deng and attacking the rightist reversal of verdicts were decided by our Great Leader Chairman Mao Zedong. It is necessary to carry out these criticisms…We should learn the lessons from Khrushchev’, argued the new Chairman (cited in Vogel 2011: 166). (In Chinese political discourse, Khrushchev played the role of a traitor; Mao labelled Deng as being the ‘Chinese Khrushchev’.) This principle would not stand for long. After several written pleas from Deng, pressure from the old guard, led by Chen Yun and the revolutionary generals, and perhaps being intrigued by the idea that Deng could be co-opted,Hua allowed Deng to return to elite politics.

Once he had returned, Deng tried to create an impression of being part of the new chairman's team. He publicly endorsed Mao's successor by proclaiming that he puts his 'body and soul behind Hua Guafang as the leader of the party and Nation' (quoted in Ruan 1994). In November 1977, in an interview for the German *Der Spiegel,* Deng described himself as being 'only an assistant, a helper of Chairman Hua.'

In reality, Deng was committed to undermining Hua's authority. Instead of engaging in a direct confrontation with Hua, Deng turned here to a 'mobilisation of elite opinion through the press' (Macfarquhar 1997: 318). First came the refutation of Hua's 'two whatevers' doctrine. Another statement by Mao, which was incompatible with Hua's 'two whatevers', was promoted (on Deng's request) in the press in early 1978: 'seek truth from facts'. This marked the beginning of the 'truth criterion debate' between Hua's 'two whatevers' and Deng's' 'practice as the sole criterion of truth' (Ruan 1993: 30-37; Baum 1996: 58-63).[77] Deng framed this debate as being about 'the future and the destiny of our party and nation' (Deng 1994 [1978]).

The emotions and energy brought about with the 'truth criterion debate' would spill over onto the streets in the form of the (Xidan) Democracy Wall (Ruan 1994: 44; Macfarquhar 1997). Deng immediately endorsed this grass roots movement: 'We have no right to negate or criticise the masses for promoting democracy …The masses should be allowed to vent their grievances' (in Ruan 1994: 46). As Beijing and other major cities joined the protest, its themes evolved as follows: support for those officials purged during the Cultural Revolution turned into attacks upon Hua himself (see Ruan 1994: 39-50). This was another swift victory for Deng.

The last piece of the puzzle for Deng was in securing the army's support. The army would remain less involved in the' truth criterion' debate than Deng wanted it to be. Moreover, there were many signs of division within the army regarding whom to support in the Hua-Deng power struggle. Although the army newspaper, *Liberation Army Daily*, endorsed Deng's side in the 'truth criterion debate' (Baum 1996: 60), some Beijing generals, some generals from the north and the security forces were leaning towards Hua. Deng tried to pressure the army into taking sides by saying that ‘non-involvement is some sort of involvement’ (in Ruan 1994: 35) but this would prove insufficient. In 1978, Deng switched tactics and started pressing for a war with Vietnam.

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[77] This was not a typical generational struggle. Rather, as Vogel notes, 'beneficiaries of the Cultural Revolution generally supported Hua Guofeng, and targets of the Cultural Revolution generally supported Deng Xiaoping' (2011: 181).

The preparation for the assault would change the dynamics of the political situation. Hua lacked any wartime credentials, whereas Deng had a record in leading the Chinese army into offensive campaigns and few within the army questioned his ability as a wartime leader. The actual military campaign in Vietnam would prove to be ‘ill-advised’ and ‘costly’ (Pye 1993). However, it succeeded in uniting the army around its former leader (for the details on this, see Vogel 2011 chap.9; also Pantsov and Levine 2015: 50-2). Moreover, the Chinese mass media, instinctively, after the end of the campaign, spoke of it as being a major military victory. Deng, not Hua, was the major beneficiary here. ’A picture of Deng, dressed in military uniform and seated astride a white horse, went on sale in Beijing right after the campaign,’ notes Whyte (1993: 545).

Critical debate at the elite level, popular pressure, and, finally, a ‘nice little war’ would suffice for Deng to establish himself as the *de facto* leader of China. It should be noted that Deng’s reasoning regarding formal power was simple: ‘One is to be an official, one is to accomplish something’ (in Vogel 2011:170). (The idea that, in politics, the one should go with the other probably did not cross his mind.) Thus, he had no intention of taking over formal responsibilities from Hua – although, as some argue, (see Ruan 1994: 200; Baum 1997: 328) the majority of the party leaders preferred such a scenario. He did, however, handpick the new leadership team. Hu Yaobang, a liberal-minded party member, took over the highest Party position. Zhao Zeyung, another pro-reform party member and, according to Ruan, Deng’s ‘favourite disciple’ (1994: 175), took over government responsibilities. Deng himself took up the third major post made available with the fall of Hua--Chairman of the Military Affairs Commission (MAC).

A few critical observations regarding Deng’s rise as the de facto leader of China

As a politician and as a reformer, Hua undoubtedly made some costly errors. The root of his inability to fend off Deng’s challenge, however, lay elsewhere. Hua was not part of the revolutionary generation, a group that preserved its relevance after Mao’s death. He was instead ‘the symbol and the leader of a fairly large number of cadres who rose to the top levels of the Party, army and government during the Cultural Revolution’ (Tang 1984: 328). Apart from being unpopular among the masses, this new elite was further weakened by an internal conflict between the 'Gang of Four' (a radical leftist group led by Mao's wife) and Hua and his supporters. Simply stated, he was dealt a bad card.

Mao had a say on this issue as well, perhaps a central one. Wanting to preserve his legacy, Mao chose as his successor someone who was a beneficiary of the Cultural Revolution and had no personal support basis (Vogel 2011: 28). Hua Guofeng was 'a modest, middle-level official suddenly filling huge shoes', notes Vogel (2011:150). Certainly, when granted an opportunity, picking a weaker successor is a common practice among political leaders. Here, however, there was a conundrum: *China could no longer sustain the dynamics created by the Cultural Revolution; Hua could not turn his back on the Cultural Revolution*.

This however does not change the fact that it was Deng who exploited Hua's vulnerability, and acted decisively, by breaking his promise to support Hua's leadership and launching the' truth criterion debate'.

Regarding the Democracy Wall, another factor which played out to Deng's advantage and to Hua's disadvantage, the leadership succession struggle was just a trigger, a window of opportunity that brought to the surface the growing alienation of the people from the Party. The Cultural Revolution was, again, the key background factor. Nonetheless, there is unambiguous evidence to suggest that Deng instrumentalised this movement. The very first poster placed on the Democracy Wall was in support of Deng Xiaoping (Macfarquhar 1997: 322). Soon after Hua was ousted, and as the theme of this movement evolved in an unfavourable direction for Deng (posters pointing to the 'dangers of the new autocracy' and calls for a 'fifth modernisation' began appearing in 1980), the Democracy Wall was banned.

Causes for the Sino-Vietnamese War of 1979 can also be found outside domestic power struggles. Although Deng's role in initiating this conflict is beyond question, according to many analysts (e.g. Kissinger 2012), the key purpose of the war was to forge a strategic alliance between the US and China. Vogel (2011) sees this war as being an effort to prevent the Soviet Union from encircling China. What sticks out here is Deng's aggressiveness; statements such as 'we will teach the Vietnamese a lesson', were quite uncharacteristic of his foreign policy style. Deng would subsequently show a different side in the international arena— e.g. he would bring the 'one country, two systems' policy, abandoning the doctrine of the reintegration of Taiwan by force, and the radical improvement of the Sino-Japanese relationship. If there was any principle that he tried to establish on the foreign policy plane, it was that of neutrality and non-intervention. By pressing for an armed conflict with Vietnam in 1978, therefore, it is likely that Deng acted ‘out of role’ in order to assert his dominance over the domestic scene.

The factors, therefore, which allowed Deng to emerge as the paramount leader of China are not reducible to Deng’s political skills or to Hua’s lack of political skills. Mistakes and miscalculations by Hua’s supporters, natural disasters and also international factors conspired against Hua. Nonetheless, Deng acted decisively and skilfully manipulated those factors so as to offset Hua’s position and eventually replace him.

We must note a few additional points here. First, acting decisively in ambiguous situations (as was the case with Mao’s succession) was, as we shall see in the pages below, a type of habit for Deng.

Next, engaging in risky, rule-breaking actions – such as launching a war, or supporting a democratic movement – was not an issue for Deng, if this then helped in solving his problem of the day. Deng was powerful because he was able to consider options and recognise opportunities in the context that some other, more risk-averse individual in his position would have missed. The analysis of Deng’s power (something inevitable when we deal with Deng’s era reforms) requires that we abandon the conventional lenses; instead of treating power as a static, positionally determined phenomenon, we must recognise that in this case power was also a function of non-routine behaviour, which more often than not contained elements of risk-taking and rule-breaking.

Third, luck was a constant companion for Deng. Luck manifested itself in the form of weak opponents, unassuming helpers,[78] the timely (natural) deaths of powerful members of the conservative faction,[79] and favourable changes in the international environment (see Vogel 2011 chap. 22). Although the interplay between power and luck cannot be systematically incorporated into this analysis, I believe it is prudent to acknowledge the existence of such an externality, while analysing how Deng performed in his role as a reformer.

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[78] In 1977, Hu Yuabang, head of the Central Party School at that point, co-wrote an article: ‘Practice is the Sole Criterion of Truth’. Deng used this article in order to open the ideological front against Mao’s successor. The interesting point here is that the article, as intended by its authors, had no hidden political purpose (such as to aid Deng in his effort to overthrow Hua). Hu Yaobang had good relations with Hua and no interest in undermining his authority, states Taiwes (1999). In proof of this, Hu declined the publication of another article supportive of Deng afterwards; he also did not take part in the subsequent ‘truth criterion’ debate.

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[79] The conservative faction lost one of their most powerful members, Li Xiannian, in 1992, just a few months before the critical 14th Party Congress.

Lastly, Deng was part of the CCP elite from the late 1920s and he was a key protagonist in past state projects. His baggage included some clear and well-known attitudes on topics such as material incentives, the relationships between politics and development and policy and ideology. This must be taken into account while examining his conduct as a reformer. Often, this is not the case. On that note, the ousting of Hua is used by some social scientist as a vantage point for explaining how politics had affected policies in post-Mao's China. This argument goes as follows:

> The implicit rules of the games of elite politics in China played a substantial role in pushing the reforms forward by forcing Deng Xiaoping and his followers (as outsiders and challengers) to articulate a substantially different vision of ideology and policy than that of Hua and his followers (the incumbents). Fewsmith 1999: 52

There is nothing wrong with the notion that the political situation created by Hua's overthrow in 1978 was such that it demanded something radically different and that Deng's reform agenda fitted that bill. However, this is a short-sighted and somewhat trivial point. If we take just one step back, it becomes apparent that the unsustainability of China's economic model coupled with Hua's inability to turn his back on the Cultural Revolution had led to his downfall. Stated bluntly, the conditions that lead to Hua's downfall and those that 'forced' his successors to articulate a different vision were one and the same (and they are not the 'rules of the game'). The other issue is that treating Deng's conduct as a reformer as a function of the political context created by Hua's fall is not only ahistorical but it also gives an unrealistic representation of the context in which Deng found himself. For, if we see Deng's conduct as a reformer – in particular, his commitment to market reforms – as a function of the political context, then we also have to assume that that political context remained the same for Deng in the nineteen sixties, the seventies, the eighties, and the early nineties. Deng was fighting the same policy battles throughout this period: to introduce and institutionalise material incentives (see, for instance, Vogel 2010, Ming 1994). [80]

Another moment from the past warrants attention here. 'Politics in command', a quintessential feature of Maoism, was challenged by Deng before Mao even contemplated the Cultural Revolution (see Deng 1959, 1962; the politics in command is discussed in more details in Chapter 7). More importantly, why China embarked on such a different reformist path under

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[80] It is fine to claim that the strong commitment to market reforms during Deng's era was a product of the failure of the Cultural Revolution. But the gist is that Deng's reform initiatives are not reducible to market reforms.

Deng is because that rejection (i.e. Deng's idea that the politics-in-command is unrealistic and avoidable approach) [81] was coupled with control over state resources and widespread discontent from the existing situation. Thus it would be more accurate to say here that the Cultural Revolution created *a window of opportunity for some pre-existing ideas to gain appeal* as opposed to shaping the reaction of the Chinese reformers.

The sections below turn to Deng's exercise of power and examine the design of the Chinese reforms through the prism of leadership.

5. 3 The design of reforms

Deng and the shift in the policy paradigm

Thomas Kuhn notes, 'though the world does not change with a change of paradigm, the scientist afterward works in a different world' (1962: 120). Similarly, China did not change with the shift in policy paradigms brought about after Deng managed to overthrow Mao's heir, but for the Chinese policy experts it was a different world. The pages below consider those changes in policy parameters by focusing on Deng.

Like Hua, Deng faced the urgency of solving the problems in the economy in 1978. Unlike Hua, Deng would change the components of this problem. Namely, the quest for (economic) development under Deng was based upon a systematic dismantling of the distinctive, socio-political components of the Maoist state.

The *class struggle* was the first pillar of the Maoist state challenged by Deng. While the class struggle was the overarching theme of communism, Mao's brand of class struggle was special, and more extreme than the one that existed in the Soviet Union. According to Mao, expertise was redundant and proper political thinking was the be all and end all of social life. (Vogel 2011: 175). Titles were abolished and culture based upon 'violent amateurism in economic and academic endeavours' was promoted (Kissinger 2012; see also Vogel 2011). Intellectuals were classified as being 'petit bourgeoisie', and as an 'ideologically unreliable class' (Baum 1996: 57).

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[81] Interestingly enough, the other individual who explicitly challenged the politics in command ideology during the 1960s was Chen Yun – a figure who would play the role of leader of the conservative faction during Deng's era (see Bachman 1985).

Upon his return to elite politics, Deng reiterated his comments that the arts and science were also forces of production and should not be considered as being subordinate to politics (Vogel 2011: 174-178; Tang 1984; Deng 1980). ‘The erroneous attitude of not respecting intellectuals must be opposed. All work, be it mental or manual, is labour’, he argued in 1977 (1994a: 56). On this issue, he was practising exactly what he was preaching. One of Deng’s first executive decisions was to ask his subordinates to draw up a list of China's most knowledgeable scientists and make sure that they were given adequate facilities and living conditions so that they could concentrate on their work (Vogel 2011: 174). Chinese scholars from abroad were called back. Deng showed a contextual sensitivity and flexibility in dealing with this issue: ‘if they [the scholars] decline to return, they should still be considered as patriots and invited to come back and give lectures’ (ibid).

The principle that Deng was trying to impose here was by no means limited to the arts and sciences. Private entrepreneurs were also promoted as part of the working people, and under Deng’s guidance, the CCP vowed to protect their legitimate business activities (Parris 1999: 265). It also extended to inner party life. Professionalism is more important than party identity or loyalty: this was the new party guideline.

Moral incentives were the second pillar of Maoism contested by Deng. Mao saw belief and the willpower of the masses as being (the only) route to development. ‘He strove for economic advancement with mystical faith in the power of the Chinese “masses” to overcome any obstacle by sheer willpower and ideological purity’, writes Kissinger (2011: 457). ‘He was convinced that the collective will-power of the masses could transform China’s economy of poverty. If each individual’s consciousness was transformed, their collective enthusiasm and dedication would create an advanced industrial economy’ (Chang 1996: 379). This fusion of developing socialist consciousness and economic development was the overarching theme of the Cultural Revolution. When it became evident that this could not work, ‘the cult of poverty’ was promoted.

More conventionally, and in contrast to Mao, Deng tried to relate (economic) development to material incentives–profit, managerial bonuses--and private interest (for more on this, see Parris 1999 264 -70; also Whyte 1993; Vogel 2011). ‘Initiative cannot be aroused without economic means. A small number of advanced people might respond to moral appeal, but such an approach can only be used for a short time’, Deng argued in 1978. Deng also attacked the cult of poverty: ‘We are opposed to those absurd, reactionary concepts of ``impoverished socialism", ``transition in poverty to a higher stage", and ``making revolution in poverty"…', (1994b:187-188). In this context, and as a direct refutation of the cult of poverty, Deng coined the phrase, 'To get rich is beautiful'. He would also note that 'some people...should be allowed to get rich before others' (Deng 1994c [1983]:23). Such a proposition was not only antithetical to the fanatical equalitarianism (or the cult of poverty) promoted by Mao but to communism in general. As Gorbachev would comment in 1987: '[the Chinese] disturbed the dialectic between the base and the superstructure, and that created difficulties' (cited in Radchenko 2014: 177).

The *cult of personality* and its residuals—i.e. the *overconcentration of power* and Mao's system of recommendations) – was the third pillar of Maoism challenged by Deng. (It remains that the system of recommendation, that is to say, Mao's brand of the nomenklatura system, can be considered along different lines than as simply being an extension of the cult of personality. Nonetheless, here we shall follow Deng's reasoning regarding this issue.) Under Mao, the leader's *infallibility* was both the key source of legitimacy for the regime and the key organising principle. Millenniums of statecraft and bureaucratic politics did not simply vanish under the communist regime in China; nonetheless, core laws and norms were considered as being an extension of Mao's persona.[82] This practice was repeated at lower levels. As Deng would note, 'many places and units have their patriarchal personages with unlimited power. Everyone else has to be absolutely obedient and even personally attached to them' (Deng 1980: 239). In Deng's account, neither the Party nor Mao were to be held responsible for the emergence of such practices.

As Deng would point out, 'From old China we inherited a strong tradition of feudal autocracy and a weak tradition of democratic legality' ([1980] 1994: 240). One remnant of this feudal tradition was a responsiveness to the heroic leader (for more on this, see Fu 1993). Given that the cult of personality was there with Marxism from the very beginning (Ulam 1970: 95), playing this card seemed a win-win decision for the Chinese communists in 1949. In other words, promoting the cult of the leader's personality made sense, while the new communist order was in the making. Afterwards, however, things deteriorated and continued by inertia, even after Mao's death. Hua's decision to craft the unfortunate 'two whatevers' doctrine is a fine example of that inertia.

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[82] The CCP elites, as Saich (1996:34) notes, accepted 'Mao's primacy in both ideological and organizational terms, and his right to interpret events on behalf of the Party and to seek compliance with that interpretation.'

From the moment he took over leadership responsibilities, Deng would set the redefinition of the leadership institution and the reinvention of the role of the leader as a priority. 'We must absolutely abolish…the post of chairman for life' (in Ruan 1994: 79). Furthermore, Deng identified weak institutional constraints with regard to the leader as being one of the key disadvantages of the Chinese system. '[We have to] make sure that institutions and laws do not change whenever the leadership changes or whenever the leaders change their views', he stated in 1978.[83] One could argue here that Deng wanted to curtail and institutionalise the powers of the official party leadership because he would have remained unaffected by such reform. Alternatively, it could be argued that he stepped outside the formal polity in order to avoid a conflict of interests while trying to institutionalise the power of the party leader**.**

More important than merely speculating about personal motives, it should be noted that Deng's initiative was unprecedented. (Acknowledging the issue of unlimited tenure in office and weak institutional constraints on leadership was some sort of taboo in socialist systems.) Deng's intention to subvert Mao's legacy was not only about rules; roles were also subverted. In contrast to Mao, Deng promoted the cult of anonymity, as Pye (1993) notes. Virtually no statues of Deng were placed in public buildings and virtually no pictures of him hung in homes, writes Vogel (2011; see also Kissinger 2011). Mao, by his own admission, was an expert on everything. His Thought found a broad range of application, from scientific work to arts (poetry, in particular) and sports (Ping-Pong, in particular). Deng proclaimed himself as being an expert on nothing in particular (Kissinger, 2011: 344). 'I am a layman in the field of economy' (Deng 1994 [1984] 56); 'I am a layman in the field of science' (Deng 1994 [1986]: 122); 'I have learned about Marxism through reading the ABC of Marxism and the Communist Manifesto'—these were the typical introductory notes of his official speeches. Next, whereas Mao fancied himself as a visionary , as Naughton notes (1993:513). Deng made it abundantly clear that he had no vision for China. Whenever something good happened with his reforms, it was unforeseen.

> Our greatest success - and it is one we had by no means anticipated- has been the emergence of a large number of enterprises run by villages and townships. They were like a new force that just came into being spontaneously... this result was not anything that I or any of the other comrades had foreseen*; it just came out of the blue*. (Deng 1994[1987]: 156); emphasis mine)

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[83] Deng's speech from December 13, 1978

Lucian Pye sees this narrative of spontaneous success as being part of Deng's political performance. 'Deng was like the Chinese magician who, in his unassuming manner and dress, is no different from his audience and whose prattle suggests that he is quite as surprised as the audience at the wonders taking place', he writes (1993: 414). More importantly for the moment we must note that Deng's *role* as a leader who acts with a vague understanding of his reform initiatives and suddenly 'stumbles upon success' was another fundamental departure from Maoism.

Subverting the system of recommendations was another priority set by Deng. Here is how he would frame this problem:

> During the `cultural revolution", when someone got to the top, even his dogs and chickens got there too; likewise, when someone got into trouble, even his distant relatives were dragged down with him. Even now, the abominable practice of appointing people through favouritism and factionalism continues unchecked in some regions, departments and units. (Deng [1980] 242-3)

It is not the case that Deng identified such practices as being harmful – even Mao on occasion would criticise such practices. The novelty was in *depersonalising* the problem and framing it in institutional terms.

> We have no regular methods for recruiting, rewarding and punishing cadres or for their retirement, resignation or removal. Whether they do their work well or poorly, they have ``iron rice bowls". They can be employed but not dismissed, promoted but not demoted. These things …foster the proliferation of bureaucracy. Hence, the necessity for radical reform of these systems. (Deng 1980: 238)

Deng adopted a similar approach towards the problem of an overconcentration of power- both the problem and the solution were identified on an institutional level.

> Our leading organs at various levels have taken charge of many matters which they should not, and cannot handle, or cannot handle efficiently. These matters could have been easily handled by the enterprises, institutions and communities at the grass-roots level, provided we had proper rules and regulations…no one is so versatile that he can take on any number of complex and unfamiliar jobs. (Deng 1994 [1980]: 237)

Another, and perhaps the most important, departure from Maoism that Deng was proposing concerned the *relationship between ideology and policy*. Having a theory was the traditional vantage point of policymaking in socialist systems. Mao, however, took this primacy of theory to extremes (Kissinger 2011; Lu 2004 41-42; Xin n and Jie 232; Shambaugh 2009). Public policies in China were treated as being an extension of Mao's Thought- namely, the fit between the two was extraordinary.[84] As noted by several authors, Mao was quite sensitive regarding any efforts to deviate from his Thought (Lu 2004: 81). For instance, Deng's seemingly benign comments that 'science and technology are also forces of production' and his remarks that 'political theory is not a substitute for science' would put Mao on the warpath in 1975 when he tried to launch another Cultural Revolution (for more on this, see Pantsov and Levine 2015; also Vogel 2011 chap.5).

This subordinate- superordinate relationship between policy and ideology, or theory, was turned upside down by Deng in 1978. As one author notes:

> Before that time [before Deng], the relationship between ideology and policy was a deductive one. That is policies were largely derived from a series of ideological principles and were thereby justified. Deng and his colleagues turned this relationship around. Thereafter, ideology became an inductive means for validating empirical realities. It became a post hoc rationalisation device, while policies were taken according to empirical criteria. (Shambaugh 2009: 105)

This transformation was implied once Deng took over the leadership responsibilities in China. Let us go further back for a moment in order to provide some context to this. During the early nineteen sixties, while the CCP elites were trying to cope with the calamity known as the Great Leap Forward, Deng would coin the phrase: 'black or white, a cat is nice so long as it catches the mice'. Mao, ever concerned about what colour the cat was, would in response strip Deng of his powers and launch a national campaign of criticism against Deng and his colleagues, which would later turn into the Cultural Revolution (see Baum 1996: 29-31). Deng's return to power in 1978 also symbolised the return of his 'cat theory'.

Changing the relationship between policy and theory was coupled with ending the era of mass campaigns. 'No propaganda, no promotion' emerged as the new maxim (Pei 1994: 96). It should be pointed out here that Deng, as was evident from his promotion of the Four Cardinal Principles,[85] did not try to radically change the *content* of the state ideology. Namely, he was not fighting fire with fire here. The state ideology was not challenged directly but – by proclaiming that the era of mass campaigns was over, denouncing the theory-led approach to policy making, retracting the state financial support for the party theoretical journals – repositioned at the boundaries (Fewsmith 1999: 71).

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[84] The 'moral frame of meaning', which was about the 'communist man' or the 'new socialist man' who was supposedly different from the 'economic man', was presiding over the policymaking processes in China.

[85] These are upholding the socialist road, upholding the leadership of the Communist party, upholding the dictatorship of the proletariat, and upholding Leninism-Marxism and Mao Zedong thought.

In summary, Deng imposed five or six principles that were antithetical to the canons of Maoism, and those principles had provisions in terms of policymaking and were therefore indicative of a shift in the policy paradigm taking place**.** Deng introduced these novelties in and around the Third Plenum of the 11th Party Congress; he further clarified them in his 1980 speech *On the reform of the party and state leadership* (see Appendix B; also Vogel 2011: 201-206). The point here is that a shift in policy paradigms was by no means a slow and gradual process.

The convergence between those new guidelines and policy principles and the actual policies of change is detailed in the next section.

From principles to policies: the policies of change under Deng

> There are no Marxist quotations for what we are doing now
> – Su Shaozhi[86]

Translating the reformist wish list – or Deng's statements of intention – into concrete institutionalised practices posed two key challenges: How and where to start with the envisioned changes? How to promote and accommodate such a level of changes without collapsing the system?

A helping hand for the first question came from below. Although in line with Deng's outlined reformist principles (and reminiscent of the reform initiatives in agriculture in the 1960s), the 'agricultural revolution' in China began as a grass roots initiative, to which Deng responded, 'let's see what happens.' The benefits of de-collectivising agriculture were immediate (see Ruan 1994 65-75; Vogel 2011; Whyte 1993) and this would boost reformist enthusiasm.

The Special Economic Zones (SEZs) followed. In 1980, four special economic zones in Shenzhen, Zhuhai, Shantou, and Xiamen were established. An official document (Circular No. 41 of May 16, 1980) stated that the four special zones would 'carry on systems and policies that are different from other places. The SEZs will be regulated primarily by the market' (for more on this, see Vogel 2011 chap. 14). On the surface, the SEZs were about allowing joint ventures and inviting foreign capitalists to open factories in the Chinese coastal regions**.** In reality, they were much more than this. The SEZs were in fact ‘legislative laboratories’ for both economic and administrative reforms. More than one hundred important legislations enacted at a national level during the nineteen eighties originated in the SEZs (Heilmann 2008: 7). The point here is that the SEZs were a concretisation of the principle of replacing the theory-driven approach to policymaking with something that would be more vested in reality.

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[86] Su Shaozhi was the director of the Institute of Marxism-Leninism and Mao Zedong Thought. for the *New York Times*

The effort to delineate the functions and specify the institutional roles of Chinese state actors was another key reform initiative. This policy operated both at the top and below the top, affecting individuals as well as organisations. It was made part of the formal rules of the game by the 1982 constitutional changes (see Lubman 2000; Backer 2009) and it was a constant companion of Deng’s reform agenda (see Deng 1980; Deng 1986).[87] The idea behind it was simple: an overconcentration of power is one of the key culprits with regard to China’s backwardness (see Appendix B). The effectiveness of this policy can be disputed if we contrast it with an idealised standard. Factionalism continued to exist in China even after this policy was brought about (for more on the informal side of Chinese politics, see Tang 1986; also Pye 1992).[88] The policy would lose its relevance under Deng’s successors (see Fewsmith 1997). Its effect over interactions between individual officeholders and between organisations was nonetheless real and profound during the 1980’s (see Hsiao 1995). This progressive policy was also a servant to Deng’s power. It gave purpose and substance to his position as an political arbiter. We will return to this point further below.

At the same time, there was a restructuring of the state-controlled sector of the economy. This would include fiscal decentralisation reforms, price liberalisation policies (Lin and Liu 2000; Yingyi 2006), and the introduction of profit contracting schemes for the state-owned enterprises (SOEs).

In parallel, a set of administrative reforms were introduced. They included abandoning the parallel party and government structures at regional levels; creating a ‘career incentives’ system by using performance-based indicators in order to assess the work of government officials; and a new ‘merit-based recruitment’ policy for party and state officials (see Lee 1991; Gore 1998). These measures weakened the role of the system of recommendations (i.e. the nomenklatura system), although not completely replacing it.

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[87] Deng was opposed to a western style separations of power. ‘A tripartite separation of powers means each is restricting the other…such system is inefficient and cannot get things done.’ Deng, cited in Zhao 2009) At the same time, he was committed to functional delineation of authority. These two inclinations were not mutually exclusive.

[88] The informal side of Chinese politics is usually considered in terms of ‘small informal groups’, Tang 1986; or factions, Pye 1992. Given that Deng was an unreliable member of those informal groups or factions (he proved on several occasion that his power was not dependent upon the support of any particular faction), considering this dimension of Chinese politics in more detail should be redundant for the purposes of this study..

Structural reforms in higher education were launched at a previous point.[89] They included opening the universities to the outside world – Chinese students were allowed to study abroad (primarily in the US) and scholars from abroad were called home – distancing the CCP from the educational processes, and allowing the higher education organisations to participate in the policy processes. To be more precise on the last point, the Chinese Academy of Social Sciences was re-established in 1977. This organisation would function independently from the party-controlled Ministry of Education and acquire a ‘rapidly increasing burden of responsibilities’ with regard to developing the national economy (see Lieberthal and Oksenberg 1988: 79-82).

A few further points should be brought to our attention here. The *content* of the reformist policies was *precedent- setting,* not only from a Maoist point of view. Under the new national watchword, ‘to get rich is beautiful’, Chinese reformers pioneered the most radical market reforms in the communist world. The re-organisation of the army and bureaucratic organisations to function as profit-oriented ventures was also unprecedented (for the army, see Cheung 2001; for the bureaucracy, see Gore 1998). The trend of precedent-setting measures did not stop there. ‘Unlike Eastern European countries where technical specialists were gradually co-opted into state organs dealing only with economic affairs, Chinese technocrats have infiltrated the highest political offices such as the Politburo and the Secretariat of the CCP’ (Lee 1991: 286). ‘Unlike the other communist regimes who were fearful of brain drain, the Chinese were not reluctant to send their students to study abroad’, notes Vogel (2011: 390).

The closer one looks at it, the more evident the radical nature of Deng’s era policies becomes. For instance, imported scientific literature was not limited to technical manuals or hard sciences literature. On the contrary, ‘the works of Joseph Gusfield, Reinhard Bendix, S. N. Eisenstadt, Karl Deutsch, Seymour Martin Lipset, and Samuel Huntington were translated and included within the official curriculum of the Chinese universities’ (Shi 2006: 356). These works would proceed to influence and shape the next generation of reformers and intellectuals in China and would leave their mark on some of the most progressive policies, such as the Organic Law of

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[89] Upon Deng’s return to elite politics in 1977, he was put in charge of education (and foreign policy) and thus reforms in this sector began earlier than in others (see Vogel 2011).

1987 (ibid.). Also worth noting here, in 1980, at Deng's personal request, Japanese and World Bank expert teams were brought to China in order to aid the structural reforms programs.[90] The Zhao Ziyang-led government would increasingly rely upon their advice (see Vogel 2011: 390-396). Those imports (social science literature and experts advice) had weak or no affiliations with Marxist ideology. Their involvement was one of the ways in which the theory and practice of institutional changes in China under Deng transcended the realm of Marxism.

Next, the policies of change comprised a set of co-ordinated and mutually reinforcing measures. For instance, the performance of the 'merit-based recruitment policy' was conditioned by the quality of the university reforms**.** To be more specific, between 1983 and 1987, almost a million college graduates were added to the CCP roster, and this was 'the largest influx of intellectuals in party history', notes Baum (1996: 187). Under the policy of replacing the 'old with the new', most of these newcomers were promoted on the fast track, and, as early as 1987, they were able to leave their mark upon the reformist processes. The SEZs and the fiscal decentralisation policy were another set of interdependent measures. A 'virtuous circle' formed itself here. The regional authorities received a direct (financial and political) benefit from the profit of the local private businesses, and with that came their support and advocacy for more market reforms. The interdependencies between the new career incentive system for government officials, the improved performance of the state-owned enterprises (SOEs) and the development of the private enterprises is also worth noting here (for data on the nexus between economic performance and the political careers of government members, see Mascin et al. 2000; also, Li and Zhou 2006). On a side note, the SOEs in China did not become more efficient simply by replacing the 'soft budget constraints' with 'hard budget constraints'– this was not a priority for the Chinese reformers (Cai and Treisman 2006). Instead, their increased efficiency was a function of the newly introduced *political* incentives.

The *policy cohesiveness* noted above *(*i.e.the appearance of mutually reinforcing measures) was not accidental. Instead, during the 1980-82 period, several agencies were established in order to secure such outcomes. Lieberthal and Oksenberg (1988: 41) call them Research Centres; there were six in total, and policy analysis was their only responsibility (Halpern 1992: 134**).** This effort to secure policy co-ordination was discontinuous in the sense that 'building a factory but forgetting to build a road that would lead to it' was a standard reform problem in socialist systems.

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[90] East European economic experts such as Janos Kornai and Wlodzimierz Brus were also invited, but they played a minor role.

The flow of *policy information* was another aspect of discontinuity. The local authorities in the SEZs, the foreign experts, the Academy of Social Sciences and the Research Centres were all new actors that took some responsibility with regard to making policy proposals and evaluating the performance of the policies of change. Stated differently, the regular bureaucracy in China no longer had a monopoly over policy-relevant information.

The ways in which Deng as a leader related to the policies of change are identified below.

Deng's controversial ideas regarding economic development (see Deng, *November* 1979), provided the interpretive schema for the Chinese policy experts. His speech *On the reform of the party and state leadership* from 1980 was used both as a blueprint and as a legitimising device by the policy experts for enacting administrative reforms.

Furthermore, Deng's political conduct, after the fall of Mao's designated successor, created a more conducive environment for the reforms that followed. Although Hua tried to portray Deng as being a traitor, Deng did not return the favour after emerging as the victor from the post-Mao succession struggle. The official verdict on Hua was that he 'lacks the political and organisational ability to be the chairman of the Party' (MacFarquhar 1997: 327). Deng set another (similar) example by choosing Hu Yaobang as the next chairman/ general secretary. Although Hu Yaobang avoided taking sides in the Hua-Deng power struggle, he was still chosen by Deng to lead the CCP. The message conveyed by this decision was simple: Hu will lead the Party because he is competent. The manner in which Deng handled these promotion and demotion processes (with the emphasis was placed on competence rather than loyalty or ideological correctness) can be considered as being the formative moments of the new Chinese meritocratic system.[91]

Deng also had the final say about the reformist policies. Accounts of mid-level Chinese state managers, CCP leaders, and some western scholars (area experts) support this view of Deng. Here is how some mid-level managers describe Deng's role in the policy processes:

> Persuasion among the top leadership was greased by constant attentiveness to the personal wishes signalled by Deng Xiaoping. With Deng's imprimatur at every stage, there was no

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[91] While Deng did not invent de novo the meritocratic system, the traces of the old (ancient) meritocratic system were almost eradicated under Mao.

> legitimate basis for opposition based on special interests or even ideological qualms. (Hamrin & Zhao 1995: xii)

Zhao Zijang, the Premier and General Secretary of the CCP during the 1987-1989 period, gives a similar account: ‘At that time, it was impossible to take a position opposed to Deng Xiaoping’s (in Levine and Pantsov 2015: 396). Ezra Vogel, in his analysis of Deng’s era reforms, adds to such views. According to Vogel (2011), the head of the government (Zhao Ziyang) and the head of the party (Hu Yaobang) were acting as Deng’s proxies rather than as independent decision-makers. This is not to deny the fact that the policy dynamics were shaped by multiple veto players engaging in bureaucratic bargaining, but instead to situate Deng outside and above the bargaining game. Having the final saying about policies was not Deng’s only privilege. Unlike the other policy actors, Deng was able to act unilaterally and bring a certain policy to the agenda singlehandedly. [92]

Deng was also instrumental for coordinating the various policy initiatives. Complementarity of measures was recognised by Deng as an important variable:

> ...economic development cannot be separated from educational and scientific undertakings or from political and legal work, and none of them should be emphasized to the neglect of the others. For many years, one serious shortcoming in our planning has been the failure to balance development in the various fields. (Deng *January 1980*)

His contribution on this plane went deeper than bringing this issue on the agenda. As mentioned above, several agencies for policy analysis were established during the early 1980s in China. However, as those co-ordinating bodies had no real power, their influence on policy dynamics was contingent upon Deng’s willingness to listen to their recommendations and his capacity to act upon them[93]. Deng contributed to the effectiveness of those policy analysis centres in another, less direct manner. The fact is that China, on the eve of reforms during the late nineteen seventies, had no policy experts – this was a somewhat complex problem that required not only the establishment of agencies for policy analysis but also a set of other complementary measures. In this context, two of Deng’s personal reform initiatives are worth mentioning. First, the university reforms, which in turn were Deng’s brainchild, provided the conditions for the creation and development of the research centres (on the connections between the Chinese universities and the research centres, see Lieberthal and Oksenberg 1988). Secondly, Deng invited Japanese and World Bank experts to coach members of those research centres on how to do policy analysis (see Vogel 2011: 389-396).

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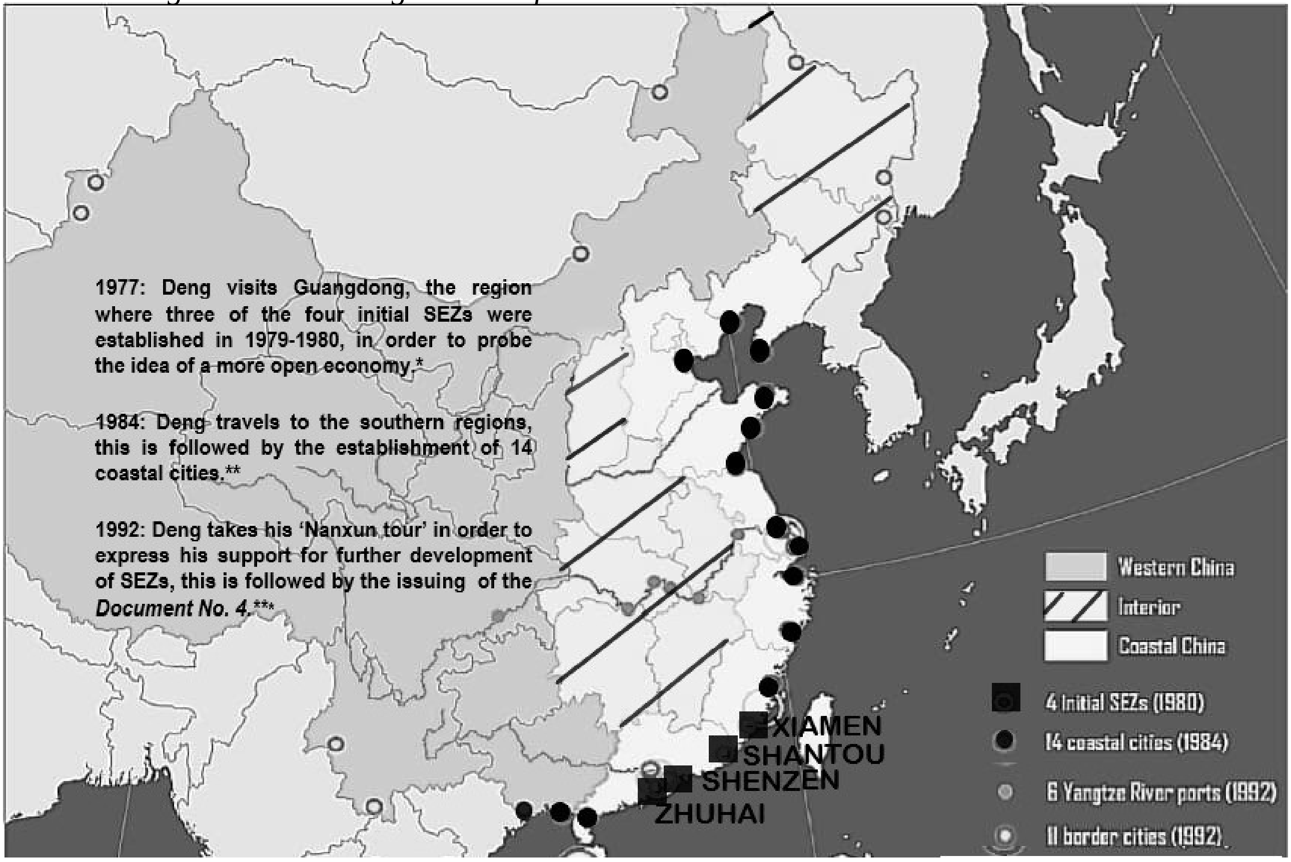
[92] A case in point, some key reformist policies, including the army reforms and the university reforms, were Deng’s personal initiatives (for more on Deng’s role here, see Vogel 2011; also Shiqui 1987). The unsuccessful price liberalisation reform from 1988 was also Deng’s personal initiative.

[93] Some scholars mention Zhao Zeyoung, instead of Deng, as the key actor in relation to the establishment and development of the research centres (see Halpern 1992: 148). Zhao interacted more frequently than Deng with those agencies. However, Zhao’s power to influence the policy processes came from his capacity to persuade Deng.

The above paragraphs restate some relatively well known and basic facts. The purpose is to draw attention to the extent to which the claims that Deng's role was limited to providing political muscle for the policymakers, or that Deng's era reforms achieved ex-post coherence without any interference from deliberation and strategy are detached from reality.

Deng's intense relationship with the SEZs deserves a special mentioning here. This is so because of the importance of the SEZs, the way Deng relates to them (unilateral actions), and the consistency in which relates to the SEZs across various points in time. Interestingly, the development of the SEZs is often cited as a proof of the incrementalism and/ or as a proof of the political logic that governed the actions of the Chinese reformers (see Naughton 2007 ;Shirk 1994) . I would argue here, in contrast, that observing the development of the SEZs is one of the most efficient ways for revealing the deficiencies of incrementalist accounts of Deng's era reforms.

Figure 5.1 Deng and the Special Economic Zones


XIAMEN
SHANTOU
SHENZEN
ZHUHAI
Western China
Interior
Coastal China
4 Initial SEZs (1980)
14 coastal cities (1984)
6 Yangtze River ports (1992)
11 border cities (1992)

1977: Deng visits Guangdong, the region where three of the four initial SEZs were established in 1979-1980, in order to probe the idea of a more open economy.*

1984: Deng travels to the southern regions, this is followed by the establishment of 14 coastal cities.**

1992: Deng takes his ‘Nanxun tour’ in order to express his support for further development of SEZs, this is followed by the issuing of the *Document No. 4.****

* see Vogel 2011 chap. 14;
** see Vogel 2011: 337-39
**** see Vogel 2011 chap. 23*

The SEZs were a key ‘policy laboratory’; a place where the new ‘meta policy’– i.e. the policy on how to make policies[94] – was established; and both a symbol and a model of China’s new economic strategy. It was the place where the ‘Denzhai economic model’ was overthrown by the ‘Guandong economic model’ (for more on this, see Vogel 2011 chap. 14). Furthermore, after the decision point (formally, the SEZs were established in 1979), this policy did not disappear from the radar of the political elites so as to take on a life of its own. Instead, the SEZs were a political arena, both in the concrete and the symbolic sense, throughout the nineteen eighties and the early nineteen nineties.

Deng was instrumental for the establishment of the SEZs; but more importantly, this was not a one-time affair. During the winters of 1982, 1984 and 1992 (and the autumn of 1977), Deng travelled south. Furthermore, these were *unilateral actions* as opposed to being discussed and agreed upon during party meetings. Deng's travels were followed by a burst of reforms in the form of constitutional changes, promotion and demotion of top officials (in Beijing), expansion of the SEZs, establishment of new organisations and termination of established organisations (on the policy activity following Deng's travels, particularly those after his 1992 tour, see Wong et al. 2001).

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[94] For more on metapolicymaking, see Dror 1968

Two details warrant attention here. First, the policy activity surrounding Deng's travels to the SEZs was as further as it could get from 'policy indecisiveness'. Taking into account the importance of the SEZs for the overall change project, the fact that their development was driven by *decisive interventions* from above carries some important implications about the power constellations in China during Deng's era, to which we will turn further below. Secondly, these events exemplify Deng's enduring influence over the change processes while also indicating that the meeting points between Deng's leadership and the development of the SEZs were not random or incidental. Those were *repeated* encounters, and, each time, they were bringing on the surface the same contentious issues; this, in turn, would lead to similar positioning of key actors over those issues, and similar policy outcomes.

Having outlined the shift in policy paradigms (the promotion of new policy principles), the moment of decisive policy intervention, and how Deng as a leader related to those frames and processes, let us now turn to the tensions and contradictions that were internal to the reformist program.

The problems with the solutions

'When a function is no longer needed, the organisation faces a major crisis: It either finds a new function or reconciles itself to a lingering death', writes Huntington (1968:15). Such was the CCP's predicament under the reformist policies. Altering the relationship between policy and ideology (or theory) was 'good' in the sense that it allowed Chinese policy experts to address the administrative and economic problems on an *ad hoc* basis, and without fear of retaliation, if they stepped outside the ideological parameters. It was 'bad' in the sense that it stripped the Party of its historical function and thereby imposed a crisis of identity upon this organisation. As Baum notes on this point: 'The claim of the CCP to its vanguard role, like that of the CPSU and other parties, was rooted in its ideology. But if correctness was now to be found in practice or facts, what was the function of ideology?' (1997: 337). Additionally, with the end of the class struggle, the reasons for CCP control over society became less apparent (Fewsmith 1999: 54).

No less problematic was the fact that the Chinese reformers put all their eggs in one basket. The basic idea of focusing upon economic development was to replace the ideological justification for the one-party rule with performance-based legitimacy (Fewsmith 1999: 56). Namely, the new master narrative went as follows: the CCP rules China because of its competence and ability to bring tangible economic prosperity (for more on performance-based legitimacy, see Zhao and Yang 2015). Logically, achieving performance-based legitimacy is contingent upon (economic) performance. To further complicate matters, Deng would qualify the SEZs as being ‘test points’ and the new economic policies ‘as experiments which are yet to prove their correctness‘ (Baum 1997: 376). The regime’s legitimacy, the preservation of the reformist policies, and even the political survival of the Chinese reformers became, in a way, a game of numbers.

Another set of problems was to be found in the following: Reform, as Hirschman notes, is about a (re)distribution of resources and opportunities (1968). In China, after 1978, those processes of redistribution raised multiple conflicts and brought about new political cleavages. Deng’s efforts to revitalise the national economy included radical cuts to defence expenditures (for data on this, see Dreyer 1993; also, Baum 1997) and cuts to many other so-called ‘non-productive state expenditures’ (e.g. welfare programs, and subsidies for agricultural producers). Under the reformist plan, the majority of the new state investments went to the southern and coastal regions. Northern and inland China, regions that had enjoyed a somewhat favourable status under Mao, were bypassed. The problem here was that the fiscal decentralisation policies were applied nationwide, rather than selectively; this worked out well for the provinces that had special economic zones but made some of the inland provinces even poorer. ‘The growing fiscal gap between the provinces’, as one author notes, ‘threatened China’s national unity’ (Shouguang 2006: 272).

Tensions between the CCP and the universities were another symptom of the reformist policies. As noted by Huntington, ‘if there is any cleavage which is virtually universal in modernising countries, it is the cleavage between government and university’ (1968: 371). University reforms, according to Huntington, invariably elevate tensions between the two actors Both these factors were present in China. Namely, there were radical university reforms and also an ongoing modernisation effort in the other sectors.

The reformist policies, therefore, had opened four points of tension: between the coastal and inland provinces, between the Party and the universities, between the technocrats and ideologues within the state, and between the new entrepreneurial class and the state workers on a social level.

The *ideational foundations of the reformist policies* – their foreign origins, and their incompatibility with both communist ideals and Chinese history – created another set of problems. The promotion of values such as competition and entrepreneurship in China under Deng was coupled with downplaying the importance of equalitarianism and a halt to welfare developing policies (see Deng, 1994b:188). Next, the SEZs concept was at odds with both Marxism and Chinese history. The Marxist perspective on exchanges between less developed and more developed countries was clear: such interactions turned the less developed countries into dependent ones.[95] Furthermore, the narrative of China being a victim of western imperialism was still prevalent by the late nineteen seventies and early nineteen eighties (Pye 1990). The revolutionary generation was still present in China, and most of them would perceive the SEZs as being a negation of their dedication to the communist cause (Baum 1997: 372).

The ideas of competition, entrepreneurship, and an open economy, therefore, were by no means ideas whose time had come, but instead ideas competing for their place with other, arguably, more popular ones (equalitarianism, the welfare state, and the principle of self-reliance).

In fairness, all reforms, regardless of their time or place, are about replacing old contradictions with new ones. What makes this case rather peculiar is that there were too many of them: a communist party without the ideological commitment, socialism without equalitarianism, a market without democracy. Deng believed that strong economic performance coupled with material incentives and moderate use of the oppressive apparatus could render such contradictions irrelevant. Others were not keen on this idea, however.

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[95] 'Two nations may exchange according to the law of profit in such a way that both gain, but one is always defrauded.... One of the nations may continually appropriate for itself a part of the surplus labour of the other, giving back nothing for it in the exchange'(Marx[1857–58] 1973, 872) Marx, K. (1861 –63) 1963b. Theories of surplus value, part 1 . Moscow: Progress Publishers. Marx, K. (1857– 58) 1973.Grundrisse. London: Penguin

5.4 The political dynamics of change: From discontinuity to political crisis

> What is this liberalism? ...Liberalism is itself bourgeois and there is no such thing as proletarian or socialist liberalism
>
> Deng (cited in Ruan 1994:163)

The intense policy activity had led to a familiar political situation in China during the mid-nineteen eighties. Deng was operating 'under constant jeopardy from two directions', notes Kissinger (2012). On the left flank, there were those who saw Deng's policies as being a 'loss of communist ideals,' and, on the right flank, there were those who saw structural political reforms (i.e. the democratisation of state-society relations) as being the end goal.

The pro-democracy faction tried to stretch the change agenda by promoting the following narrative: 'We have tried certain western ideas and practices and given that the results are overwhelmingly positive we should not stop at the economy'. This faction operated from within the party and included the official party leadership. Its first champion was none other than the new general secretary, Hu Yaobang. Popular among the students and Chinese intellectuals, due to his support of humanistic values (Pantsov and Levine 2015: 396), Hu Yaobang tried to put structural political reforms on the agenda during the mid-nineteen eighties. Zhao Ziyang, when promoted to Hu's position in 1987, pushed a similar reform agenda.

This faction drew its strength from the trends imposed by the reformist policies – the rise of the party-independent intelligentsia, liberalisation and democratisation of the universities, the rapid rise of private media outlets (see Pei 1994 chap. 5), etc. Its weakness lay in its political leadership.

While both Zhao and Hu were apt reformers, they were lightweights in the political arena. Both were dependent on Deng's patronage and seldom acted without Deng's permission.[96] Although eventually both of them would try to shake off this dependency (Hu in 1986 and Zhao in 1988-89), their efforts were half-hearted rather than decisive.

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[96] The dynamic of the relationship between Deng on one side and Hu and Zhao on the other was not that between a shield and a sword and but between a decision-maker and his chief of stuff (see Vogel 2011). This was not entirely due to Deng's preferences. For instance, Deng tried to transfer formal responsibilities for the army to Hu Yaobang in 1985 but the army leaders refused to ratify his decision (see Baum 1996 :187).

The more serious challenge for Deng's reforms came from the conservative camp.

The conservatives objected to the reformist approach on two counts: first, the reforms were leading the system towards collapse, and secondly, they were betraying the revolution. More specifically, the conflict between Deng and the conservatives revolved around the special economic zones. The dynamics created here were the following: The conservatives were trying to halt the trend and, if possible, reverse the processes, whereas Deng was continuously pushing for an expansion of the SEZs.

Let us restate the reasons that made the SEZs the key point of contention. No one among the post-cultural revolution elites in China (which, incidentally, was composed of the pre-cultural revolution elite members) had any qualms about the de-collectivisation of the land or the new administrative principles of professionalism and efficiency. The dire conditions brought about by the Cultural Revolution made these measures self-evident in a way. Nothing similar can be said about the SEZs. Namely, allowing foreign companies to open their factories in China was by no means something self-evidently positive. Instead, due to China's colonial history and due to the nature of communism, such policy decisions emerged as being radical**.** Even Japan and South Korea, as Vogel (2011) notes, were reluctant to pursue such a course during the early nineteen eighties.

The conservative faction revolved around Chen Yun-another of the revolutionary veterans. Initially, Chen was one of the supporters of the reformist approach, and he played a crucial role in overthrowing Mao's chosen successor. Chen Yun did not agree with Deng's reformers on the relationship between the plan and the market, but primarily he resented the special economic zones. [97] Chen Yun voiced his public disagreement with this policy in the early nineteen eighties. He would label the SEZs and other market-oriented policies as being transgressions rather than progress. The other conservatives were quick to follow his discourse and attacked the SEZs in the party media as being 'concessions' and 'treasonous activities,' which amounted to 'selling the country to foreigners' (Ruan 1997: 20; 1994:139; see also Shrink 1994: 224). The conservative opposition was not purely rhetorical. For instance, the city of Shanghai, despite its geographical suitability and historical role as a centre of commerce, was not part of the SEZs. It was the stronghold of Chen Yun and was in some ways a symbol of conservative resistance. The conservatives were able to retain control over some key party-state organisations. The Central Commission for Discipline Inspection, an organisation in charge of evaluating cadres' performance and punishing transgressions, was under their control. From here they were trying to intimidate and deter the local authorities in the SEZ's from acting against Beijing's official directives (see Vogel 2011: 333). Conservatives also controlled the Party Propaganda Departments (their voice was heard loud and clear).[98]

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[97] In 1982, Chen Yun declared, "Four special economic zones are sufficient. We should not establish any more." (in Vogel 2011: 332)

Deng's reformist platform, therefore, was challenged from the left flank for bringing 'too much market' and, from the right, for bringing 'too little democracy' (i.e., not matching economic liberalisation with a similar political liberalisation). The two elite factions did not target Deng directly. They clashed with each other instead: First, over the SEZs, and then over the relationship between the market and the plan, and from then onwards it was a downward spiral.

Interestingly, Deng initiated ideological disputes between the two factions during the nineteen eighties. For instance, in 1983, the 'anti-spiritual pollution campaign' (see Ruan 1994) which became a conflict point between Hu Yaobang, on one side, and Chen Yun and his supporters on the other, was Deng's brainchild. In 1986, Deng placed 'structural political reforms' on the agenda; this reinvigorated the conflict between the two factions (see Baum 1997; Shambaugh 1993).

Such elite disputes usually ended with a compromise, leaving each of the two factions neither stronger nor completely defeated. The creator of that compromise was Deng himself (see Ruan 1994). In essence, Deng was letting the two factions feel neither cut-off from the processes of change nor completely confident that their star was in the ascendence. At the same time, he was demonstrating his indispensability as a political arbiter.

Deng's 'retirement' and the deterioration of the intra-party factionalism

Up until 1986, the series of skirmishes between the pro-reform and the more cautious conservative factions were non-antagonistic (relative to subsequent conflicts). This period is often considered as being the golden era of Chinese politics (Vogel 2011). The student protest in 1986 would change these dynamics.

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[98] The division of responsibilities was more convoluted that is suggested here; through the informal power structures in China, the reach of the conservative faction went further than just propaganda and discipline (for more on this, see Fewsmith 1996).

Feng Lizi, a famous astrophysicist and one of the organisers of the protest, would state the following in 1986:' I am here to tell you that the socialist movement, from Marx and Lenin to Stalin and Mao Zedung, has been a failure. I think that complete westernisation is the only way to modernise' (cited in Baum 1996: 201). He would also remark that 'democracy is not conferred from above, but achieved in open struggle' (cited in Pantsov and Levine 2015:401; for more on the 1986 protests, see Feng 1991).

The complication here was that the protest leaders were party members, and they were considered close to General Secretary Hu Yaobang**.** Deng would ask Hu to take a firm stance and denounce the protest organisers. Hu Yaobang, however, remained unresponsive to such a request (Vogel 2011). At that moment, Hu lost Deng's support, and therefore reached his expiry date as a general secretary (he would keep his seat in the Politburo and continue to play a prominent part in elite politics).

It was not that difficult for Deng to replace Hu Yaobang. The general secretary had compromised his relationship with Zhao Ziyang by interfering with the work of the government, and he had a poor record with the conservatives from before. Moreover, rather than trying put up resistance, Hu simply accepted Deng's suggestion to step-down only with disappointment (see Vogel 2011). Zhao Ziyang, who proved himself as a reformer and was able to maintain a somewhat functional relationship with the party conservatives, was the obvious candidate for taking over the party leadership responsibilities. Nonetheless, a series of complications arose here.

Zhao could not assume formal leadership over both the party and the government (that would have been a defeat for the principle of separation of power). The candidate for the government who seemed acceptable to all parties, Li Peng, proved to be a member of the conservative clique.

This reshuffle would lead to somewhat comical moments (from an institutional perspective). Now there was a premier advocating more Party control over the government—the conservatives wanted the government to remain under firm Party control and Li Peng voiced their concerns –and a Party leader advocating a lesser control of the Party over the government

(Shrink 1994: 66). This matter was far from harmless, however, in the sense that with the conservative take-over of the government, the reformers' platform shrunk substantially.

Despite these unforeseen complications, Deng publicly announced his intention to retire from his official posts in June 1987, and did so a few months later. This seemed like a natural progression: Deng was at that point eighty years old, half-deaf, and a heavy smoker (Yang 1997). Zhao tried to persuade Deng to stay in the Politburo, but his plea was unsuccessful (Zhao et al. 2009: 280).

The Zhao-led reform coalition was too weak to deal with the delicate situation created by the reformist policies on its own. The elite conflict aside, there were tensions between the provinces, between the party and the army, and between the state workers and the new entrepreneurial class. The new social trends were particularly troublesome. On one side, there were the entrepreneurs, who were not shy of displaying their wealth; on the other, there were the state workers who were losing their jobs. 'To lose a job was to lose everything for the workers in state enterprises', notes Vogel (2011: 501; see also Baum 1997).

The new set of reforms introduced in 1984 (see Yingyi 2006: 234-237; Pei 1994) would only amplify the gravity of the situation, making it impossible for Zhao Ziyang to deal with it from his relatively weak position as a general secretary. Faced with such problems, the reform forces in China retracted to the apparent solution: 'After Deng – Deng'. At the request of the party liberals, who were fearful that they could not control the army in Deng's absence, Deng retained his post as chairman of the Military Advisory Commission (MAC). Zhao would continue to refer to Deng as being 'the key authority' and start every party meeting with the phrase: 'I have already talked to comrade Xiaoping about this issue' (Zhao 1995: 236). Additionally, there was a hidden deal among the Chinese elites for Deng to continue to act as the final arbiter on any sensitive issue (Vogel 2011).

The reasons for Deng's indispensability did not just disappear in 1987, and Deng's attempts to retire would only reaffirm such a state of affairs1.What changed after 1987 was that Deng's private residence was transformed into a key decision-making palace.

It is important to note here that Deng's role in China after 1987 was not about 'damage control', not in the conventional sense at least. Instead, his enthusiasm for reforms and for pushing the boundaries was still present.

On that note, in mid-1988, against the better advice of the economic experts, and despite Zhao's disagreement with such measures, Deng pushed forward regarding the next set of price liberalisation reforms (see Ruan 1994: 196-7). The previously enacted 'dual-pricing system' (in effect from 1984) gave the party and state officials an extraordinary opportunity to abuse their offices in order to acquire personal wealth.[99] The rationale of Deng's 1988 intervention was to halt official corruption by allowing the market to determine the prices of most products. In reality, this turned out to be one of those decisions whose unintended consequences would far outweigh the intended ones. As Vogel would state: 'This was perhaps the most costly mistake of his [Deng's] career' (2011: 401). It was a sixty-year career and by no means a flawless one.

Even before this policy was implemented, the media spread panic about rising prices that would then lead to rampant inflation, which reached 40% in June and rose rapidly until August (Baum 1996). Deng had no other option but to backtrack on this policy. This played into the hands of critics The conservative narrative was that the reforms were creating unsustainable dynamics and were leading the system towards collapse, and now they had proof that their fears were justified.

Zhao Ziyang, rather than Deng, came under fire for this hasty decision (See Baum 1997: 428). Given that Zhao was not in favour of making the risky reforms in the first place, the relationship between Zhao and his patron was strained.

Amidst such circumstances**,** Zhao tried to turn his power as party leader from formal to actual. He warned, 'guard against "Empress Cixi's" intervention in politics'. This metaphor was aimed either at the party elders or at Deng himself, according to Ruan (1994). In the following months, one of Zhao's spokesmen would issue the following statement: 'the most urgent task at present in China is to concentrate all power of the Party, government, and military into the hands of one leader-Zhao Ziyang' (ibid. 209). Contrary to the principle of a separation of powers, a new thesis of modernisation (or westernisation) under the helm of a strong leader was promoted by the pro-Zhao faction. The idea was for Zhao to become the last autocrat. The concept of 'neo-authoritarianism' was something that Zhao Ziyang's think-tanks blindly copied from the West, notes Ruan (ibid. 195). Baum claims that Zhao's advisers had borrowed the idea from

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[99] For more on the 'dual-pricing system', its rationale and its effect on the Chinese economy, see Lau et al. 2000; also Yingyi 2006: 234)

Huntington's *Political Order in Changing Societies* (1996: 439), which is entirely plausible given that Huntington's book was rather popular among Chinese reformers.

On the other side, the conservatives, with their loyal Li Peng now heading the government, were able to curtail the reform course more effectively and impose a retrenchment program (in effect during the 1989-1991 period**)**. Simultaneously, they intensified their media campaign against the reforms and the reformers (see Baum 1997: 401-407).

In one way or another, the key political actors found in China during the reformist period had suffered during the Cultural Revolution and this shared experience created solidarity. For that reason, it took slightly longer than usual for the change processes in China to turn from non-antagonistic to antagonistic, to borrow Hirschman's terminology. Nonetheless, by 1988, the processes in China took a familiar, expected turn**:** extraordinary policy activity leading to extraordinary political conflict. The trigger for this conflict was inflation. According to Guillermo O'Donnell, inflation during periods of reform creates generalised de-solidarization – a situation whereby long-term strategic orientations cease to matter and actors act with extremely short time horizons in perspective, expecting the others to do the same (1999: 146-7). It is worth mentioning here that the unprecedented levels of inflation in China during 1988 were in part a product of a unilateral policy decision, and in a way reveal Deng's autonomy and his enduring propensity for risk taking.

Deng and the Tiananmen crackdown

Elite conflicts in communist China were usually coupled with popular unrest. There was a degree of confusion about what causes what here. What can be safely inferred is that unlike in most other communist countries, China's social actors were relatively active and, to a degree, autonomous and strategic in their actions. The students and universities were the driving force of social movements in China. Looking at it from the other end of the spectrum, the regime, given its totalitarian nature, was surprisingly tolerant towards student protests, (Baum 1997:455). Mao can take some credit for this. His 'mass line' approach [100] and experimentations with direct democracy were not entirely inconsequential. 'During the

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[100] Mao's 'mass line' was about subjecting cadres to criticism from below and making sure that policy decisions had public support. It was, in some ways, an alternative to 'market information' in capitalist systems.

Cultural Revolution, the students were told that “To rebel is justified” and that they should “Bombard the HQ’’’, notes MacFarquhar (2010: 350).

Unsurprisingly, growing social anxiety about the future took the form of a pro-democratic student movement in 1989. The trigger for the protest was the death of Hu Yaobang, the ex-general secretary. In the early spring of 1989, students gathered in Tiananmen Square to pay their respects for the deceased ex-party chairman and voice their dissatisfaction on issues such as official corruption (Baum 1997: 383). The gathering was spontaneous. Moreover, *personal choice,* rather than political freedom, was the principal motive for the protest. In particular, the students wanted to secure their right to choose their occupation after graduation (see Vogel 2011).

Several factors led to the radicalisation of this seemingly benign student protest. First, the support coming from the general secretary and his framing of the nature of the protest raised the stakes. Unlike the previous General Secretary of the CCP, Hu Yaobang, it seems that Zhao was not at ease with his role as being a political pawn and he saw an opportunity here to shake off the dependency and establish himself as the *de facto* leader of China. Zhao tried to promote the argument here that democracy was a ‘world trend which should be followed’ (Nathan 1989). By calling the movement ‘democratic’, Zhao made the students’ demands appear as ‘more fundamental than they actually were’. Subsequently, the protest demands did become more fundamental – the calls for regime change became a central theme of the protest. The *timing* of the protest also contributed to its radicalisation. During the spring of 1989, a number of western media outlets were in Beijing in preparation for the historical meeting between Gorbachev and Deng; predictably, they would turn their attention to the events at Thinamanen square. This international publicity would further encourage the protestors; their assumption was that the regime would not resort to violence in front of the world’s media. Lastly, the (ex) state enterprises workers immediately endorsed the protest. A peculiar coalition developed here between those elements of society which were complaining that there was too much reform (i.e. the state enterprise workers) and those elements which felt that the reforms were not enough (i.e. the students) formed here. Some scholars consider this as being evidence of a developing democratic awareness among the Chinese public. [101]

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[101] ‘Students and workers alike were now identifying their individual, personal will with the national interest, putting aside the divisions that had obstructed a united front ever since the first expression of popular discontent in the late 1970s’ (Sullivan, 1990: 136).

By the end of April, the students were building a statue of liberty to stand across Mao's portrait at Tiananmen Square. In other words, they were making it difficult for the authorities to ignore the extraordinary nature of the protest. Such a strategy seemed well positioned to split the party ranks, tilt the balance of power in favour of the pro-democratic forces within the CCP, and provoke regime change. This is the usual scenario in such situations. Two factors, however, had altered the complexity of the situation in China and made such outcomes unlikely.

The first factor relates to the *performance* of the reformist policies. It can be said that the policies of change created the turmoil of 1989 in China. The inflation trend, the rise in the urban unemployment rate, the radicalisation of the universities, the mass presence of foreign media: each of these trends related to a certain reformist policy. However, the policies of change also added mass on the other side.

By the mid-nineteen eighties, the number of 250 million people living below the poverty line was reduced to half with the reforms (Croll 2006:33). In the agricultural sector, in comparison to the pre-reform era, 'the annual growth rate more than tripled during the initial reform period, 1978–1984' (Huang et al. 2008: 478). Although agricultural growth had slowed down by 1988, the regime regained support among the rural population. The rural population was not the only beneficiary of the reforms. In a nationwide survey taken in the urban centres during 1985, more than 70 % of the participants reported a rise in living standards (Baum 1996: 192). Urban incomes almost doubled between 1978 and 1985, according to Croll (2006:33).[102] Thus, the Chinese authorities had some significant numbers on their side and, one may add, the right numbers to back the reformist narrative. Additionally, the regional authorities in the coastal regions were enjoying the advantages of fiscal decentralisation policies; the entrepreneurs were enjoying substantial state support in the form of low taxes and a willingness by the state to tolerate their extra-legal activities, such as employing more workers than was officially permitted. [103] Members of these strata were not wholly unsympathetic to the pro-democratic movement, but they had little reason to openly endorse it.

The second factor that altered the complexity of the situation in China and made the 'regime change' scenario unlikely was Deng.

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[102] Unlike in the Soviet Union under Gorbachev, where income growth was achieved by irresponsible fiscal policies, Deng's era growth in urban income was reflective of the health of the economy.

[103]. In an effort to cut off non-productive expenditures., the army was allowed to provide civilian services and engage into profit-related activities during the early 1980s.

Deng had a positive record with Chinese students. His critique of the backwardness in the Chinese educational system and his efforts to revive higher education contributed to his third purge from elite politics in the mid-nineteen seventies (for more on this, see Vogel 2011 chap. 4). Once back in power, Deng initiated a set of progressive policies in this sector**.** Furthermore, the initial formal demands made by the students who were occupying Tiananmen Square in 1989 were intimately related to Deng's reformist goals. Like the students, Deng saw official corruption as being an 'ill wind' to which it would be wrong to turn a blind eye. [104] Like the students, Deng preferred and fought for competence, instead of personal ties and party affiliations, to be a key determinant of one's position within the system. He was, as Vogel argues (2011), the key proponent of establishing a meritocratic system. More importantly, the accusations of corruption and abuses of power did not affect Deng personally. As Vogel notes, 'there is no recorded evidence that Deng had ever sought personal wealth for himself or for his family' (2011: 586). The point here is that crossing the Rubicon, and embracing the role of a transitional leader, was not something beyond Deng's reach, unlike for, say, Nikole Ceausescu–the other communist leader who would send the tanks onto the streets.

Why did he not take that path? The commonly accepted answer is that Deng feared turmoil and he equated democracy with instability. I believe that such an interpretation takes Deng's pragmatism to a place where it does not belong and misrepresents Deng's attitude towards both stability and democracy. The answer as to why Deng stood against the protestors in 1989 is as simple as the following: Deng had adopted one radical worldview in his youth – communism – another during maturity – capitalism holds the answers for reforming communism – and now, at 80 years of age, he was not prepared to adopt another radically different worldview. Namely, accepting the idea that there was only one path to modernisation, or that modernisation was a homogenising process that ends with westernisation, was beyond his cognitive capacities. It would seem that he favoured the neo-modernisation theory.

Let us recall here that there was an agreement among the Chinese elites for Deng to act as the final arbiter on sensitive issues. Although political deals are not written in stone,, this one was to stand. The party liberals were prepared neither to 'vote with their feet' *en masse* nor to challenge Deng's decisions in the institutional arena.[105] The party conservatives – presumably hoping that Deng's response to the protest would break the bonds between him and the progressive elements within and outside the party – also adopted a 'wait and see' approach. All in all, the decision on how to respond to the protest was left to Deng.

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[104] If we want to break the force of this ill wind, we're going to have to take prompt, strict and stern measures', argued Deng in 1982 (Deng 1994 [1982]). The measures used to tackle this problem were strict indeed: the death penalty for official bribery was introduced

[105] The party liberals would abandon Zhao Zeyung, who did not support the use of force against the protestors, during the critical moments.

While waiting for Deng's decision, the Party was trying to diffuse the situation through a set of measures. Li Peng, the new conservative premier, entered a series of negotiations with the student leaders whereby he tried to persuade them to return to their campuses (see Baum 1997). Zhao Ziyang tried to put on the policy agenda some of the basic and quite reasonable protest demands. On May 15th, at a PRC meeting, Zhao proposed investigating the party corruption allegations. His initiative was unanimously voted down. Even his closest ally, Hu Qily, abandoned him on this occasion. The reason was that Deng had already decided that there would be no concessions because 'one retreat will lead to another' and the word was out (Baum 1997: 446). By the end of May, the party leaders were summoned to Deng's house (not an uncommon decision-making palace after 1987) where a decision to respond with force and to clear the square of protesters was finalised. Of those present at the meeting, only Zhao did not agree to such a course of action. Zhao was not prepared to take responsibility for Deng's decisions for a second time. He chose to resign from his post as a general secretary instead. [106] He believed, according to Vogel, that such a decision would put him on the right side of history (2011).

From that point onwards, the Tiananmen protest became a problem scheduled for a solution. Army officers from the inland regions, who were less sympathetic to the cause of the movement, were brought to Beijing. Yang Shagkun, Deng's personal emissary for army matters, issued the following warning at a MAC meeting 'If any troops do not obey orders, I will punish those responsible according to military law' (Baum 1997: 400). The months-long stand-off between the Party and the protestors ended in the early hours of the 4th of June. While advancing towards the square, the army used live ammunition. Several hundred citizens were killed by the time the army reached its destination. (There are no records of a violent confrontation between the students at the square and the army. The key confrontation on June 4th was between a militant group of ex-state enterprises workers and the security forces.)

Soon afterwards, Deng appeared on television (his first appearance in a long time) in order to praise the army's conduct on June 4th and express his condolences regarding the loss of life among the security forces (Baum 1997: 464). In some ways, he was accepting personal responsibility for the crackdown. In other ways, he was avoiding it. He would qualify the crackdown simply as being ‘the inevitable result of the domestic micro-climate and the international macro-climate’ (Deng 1989).

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[106] The new general secretary, Zijang Zemin, was kept away from the Tiananmen affair in order to start his mandate with a clean sheet.

The revolutionary situation would defuse itself shortly afterwards. Order on the streets in Beijing was restored within a matter of weeks; the relations with the US administration, via Deng, were re-established in a matter of months (see Kissinger 2011 chap.). Only a year later, China would be granted a most favourable nation (MFN) status by the US. Most importantly perhaps, as Pantsov and Levine note, ‘the majority of the Chinese would accept the official interpretation of the event as being a counter-revolutionary crackdown’ (2015: 432).

Nevertheless, the mood in Beijing immediately after the crackdown was grim, rather than triumphal.

5.5 From crisis to a new normalcy: Deng’s southern tour

> Deng Xiaoping is a man who excels in political affairs, and very few people can match him in that respect.
>
> Mao (cited in Shambaugh 1993)

‘It looks as though a given change or innovation appears for the first time with history-making force, but tends to be reported the next time in the “News-in Brief” column’, writes Hirschman (1970: 39). Deng’s case unfolds in the opposite way. In January 1984, frustrated with the slowing pace of reforms, and with the conservatives’ efforts to intimidate the regional authorities in the SEZs, Deng embarked upon his first southern tour. His intervention reinvigorated reform enthusiasm (Vogel 2011: 337). In 1992, Deng was facing the same issue and the same opponent, and he would repeat this act. He would try to find the same allies while returning to the initial ‘crime scene’: ‘Anyone who attempted to change the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee [1978] would not be countenanced by the people; he would be toppled’, was the message for his political opponents. ‘In time, Deng’s “Southern Tour” would take on an almost mythical significance, and his speeches would serve as the blueprint for another two decades of Chinese political and economic policy’, writes Kissinger (2011: 595). The circumstances leading to Deng’s Southern Tour are briefly considered below.

As the communist regimes across Eastern Europe were falling one after another after 1989, the regime in China was facing a dilemma: rollback or push ahead with the reforms. The party conservatives, instinctively, were in favour of the former option. In their view, the reformist policies enacted during the nineteen eighties were the key cause for the political turmoil of 1989, notes Kissinger (2011:594). Deng's assessment of the predicament for China was quite the opposite. Precisely, the radical reforms had helped the regime to survive the turmoil of 1989, and, in order to secure the further survival of the regime, pushing for more reforms was not an option but a necessity. Both parties were right in some sense; who would impose the correct version was a matter of power.

Regarding power, the momentum now seemed to be with the conservative faction (Baum 1997: 479). A three-year retrenchment of reform was enforced during the 1989-91 period (Zhao 1995: 237). The new slogan was to roll back the system to pre-1984 (Fewsmith 1997: 523). The new free economic zones, the Organic Law, and many other progressive policies were facing reversal. Calls for recentralisation and restoring the primacy of ideology, as well as the rhetoric of class struggle, reappeared in the mainstream of Chinese politics. Pragmatism (a euphemism for Deng's reforms) was put in a negative light by the party media. According to conservative propaganda, it was a tool for peaceful evolution (for more on this, see Fewsmith 1995; 1997 also, Vogel 2011 ch. 23).

Deng was no longer able to counter the re-emergence of conservativism, or so it seemed. After Tiananmen, his relationship with the progressive elements of society seemed broken beyond repair. Hu and Zhao were out of the picture and the party pro-reform faction was all but destroyed. Jiang Zemin, the new general secretary, distanced himself from Deng and endorsed Chen Yun's discourse (Baum 1997: 479-451; for more on this, see also Vogel 2011). According to Ruan (1994: 110), this was the plan of the conservatives all along. Chen Yun and his clique had aligned with Zhao Ziyang in order to remove Hu Yaobang in 1986 (Zhao joined the conservatives in their attacks on Hu during 1986), and later they would pressure Deng Xiaoping to get rid of Zhao Ziyang. Finally, they planned to isolate Deng Xiaoping and take over power. If this was indeed the plan, it seemed to be working.

Deng had a habit of disrupting the plans of others. His 70 year-long political career can be described through a series of risky moves. This disposition, rather than his much-lauded pragmatism, was arguably the key reason why he appears as a key figure at each critical juncture in China from 1938 onwards. Deng also had foresight. 'Foresight', in Deng's own words, refers to ‘having a clear understanding of the task, the strength of the enemy, one's own strength, the specific time and the specific terrain’.

His foresight and his propensity for rule-breaking and risk-taking were still present in 1991. Finding political support seemed to be the missing ingredient. The fact that the reformist faction within the Party was destroyed after 1989 played to Deng’s advantage in the sense that he became the only alternative for those who, for whatever reason, expected to lose from the proposed reversal of the reformist policies. In particular, there were two such actors. For both political and economic reasons, the conservative rhetoric of recentralisation was perceived by the regional authorities as being a direct threat to their interests. China’s new entrepreneurial class had even more reasons to fear the conservative promise to roll back the reforms.

Deng chose Shanghai in order to test his support. In 1991, he met with the local authorities and published several articles in the local media under a pseudonym in order to test the public reaction. His narrative was as follows: the great city of Shanghai is unrightfully left out of the economic boom in China and the city could use the experience of the other economic zones to do things even better (for more details on this, see Vogel 2011). As the feedback was positive, Deng, for all his opponents knew, went on a ‘family vacation’ to the south in early 1992. In reality, he was about to take the conflict to the streets.

Once Deng’s intentions became clear, the Party censored his tour; Li Peng, the conservative premier, would ridicule Deng’s campaign. The people, however, responded exceptionally well to Deng’s message (Vogel 2011: 558) – to see Deng on the open stage was a once in a lifetime opportunity. The focal point of Deng’s public appeal was a familiar one: the benefits of having foreign companies in the SEZs. ‘These firms make profit in accordance with our laws…we levy taxes, our workers are paid, and we learn new technology and management. What’s wrong with that?’(in March 2006:69). Deng’s political message was less diplomatic: ‘ Reform and openness are a historical trend… The country needs this policy, and the people like it. Whoever opposes the reform and open-door policy should just step down!’(in Yang 1998: 262).

Who was to step down? According to Vogel (2011), this was a message for the new general secretary. Deng’s message for Ziyang Zemin was simple: ‘I will either confirm your leadership at the forthcoming Party Conference, or, I will have you replaced’. Whether Deng was able to realise such a threat or whether he was just putting on an appearance is difficult to determine. At any rate, Ziyang Zemin was not prepared to test Deng’s political strength. Only days after Deng’s speech, he made an about turn and publicly endorsed Deng’s pro-market campaign.

With this newly found support, the party censorship was lifted; and as Deng's Southern Tour received national coverage, everyone started jumping onto the pro-reform bandwagon.

At that point, Deng's suggestion that Ziyang Zemin's political fate was contingent upon Deng's support became a reality. Deng would use this fact in order to further pressure the general secretary on the issue of supporting market reforms. In the following months, he avoided meeting with him or expressing public support for his leadership. In a further attempt to secure Deng's endorsement, Ziyang Zemin wrote an article in which he promoted the term 'socialist market economy' and started campaigning intensively for market reforms (Vogel 2011). Deng's public support for Zijang Zemin's leadership would follow soon afterwards.

What ensued during the 14th Party Congress was everything that Deng had hoped for (or planned for). He would guide the promotion and demotion decisions; he returned the favour to Zijang Zemin by demoting or replacing Zemin 's political opponents. Although Deng was not personally present at the congress (he would only appear during the closing session as a 'special delegate' hiss ideas on reforms also dominated the conference agenda. Market reforms were mentioned for the first time in the revised constitution. Deng's Thought (soon to be granted the status of a Theory) was incorporated into the new legal framework. Only Marxism and Leninism held such a status within the Chinese polity (Maoism was officially classified as a Thought, which was formally one level below Theory). This act was followed by mass public approval. Fittingly, Deng ended his journey as a reformer where charismatic leaders begin their own. As one scholar notes on this:

> All across China, newspaper editorials trumpeted that "Deng Xiaoping thought is the spiritual foundation of the people."' It was announced that an annotated compilation of Deng's speeches, entitled "The Thought of Deng," would soon be published. Billboards of Deng appeared throughout Beijing. There were also a documentary, a special portrait, books, and tapes on Deng, all employing the inflated language that was once used to describe Mao during the Cultural Revolution. Deng was a "giant," a "superman," "a history-making great man". (Chang 1996: 378)

In the following years after Deng's departure, China would experience 'some of the fastest growth rates the world has ever known, on a scale never seen before', as Vogel notes (2011:570), but also a period of relative political stability and normality.[107] 'Great questions' were more or less closed; the processes during the post-Deng era were more linear, less manipulable, and time became a key determinant of change. Therefore, chronologically speaking, this research's interest regarding China's reforms ends here.

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[107] Normality, according to O'Donnell et al., 'becomes a major characteristic of political life when those active in politics come to expect each other to play according to the rules' (1986:65). Compared to Deng's era , those political actors in the post-Deng era did indeed play according to a set of more or less explicit rules.

More interesting for our purposes is to note the persistence of this pattern. Deng ended his journey in a similar manner to how he began it: by acting decisively, deliberately, and against expectations or standards. Again, as in 1978, his transgressions in the political arena had a concrete policy impact and a similar effect – namely, they reinforced the market trends and the processes in China's opening to the outside world.

5.6 The southern tour and Deng's enduring capacity to exercise control over the reformist processes

The events of 1992 provided a clear resolution to two issues. First, China can and must proceed with its reforms (because reforms are not a threat to systemic stability but a primary source of the regime's legitimacy), and secondly, Deng's Theory – something that the people supported and the Party approved – would provide the guidelines as to how to proceed on such a path. The aim here is not to identify the role of Deng's southern tour in the grand scheme of things nor to deal thoroughly with whether Deng's act in 1992 was continuous or disruptive. The aim of further investigating this moment is to expose the nature of the relationship that Deng formed with other relevant actors on the Chinese political scene, to explain the role of the reformist principles and policies in determining those relationships, and to show how these elements converged in producing the results of 1992.

Deng and the army

Let me start with the army, its relationship with Deng and its role in shaping the reformist outcomes. Unlike Mao and most of the top communist leadership, Deng had spent almost ten years in the mountains, embedded with the army during the Sino-Japanese war and the subsequent civil war. Together with Liu Bocheng, he led the Second Field Army during the campaign of Huai Hai and the crucial battle at the Yangtze River (see Levine and Pantsov 2015 102-142; also Vogel 2011). Towards the end of the civil war, and with Mao's blessing, the unified communist army was placed under Deng's command (Levine and Pantsov 2015: 134). After the war, Deng was granted the title of field marshal; he would politely decline this honour. This did not harm Deng's real authority among the army, but it did allow him to preserve his manoeuvrability in the political arena. (It would have been difficult for Deng to claim the Party leadership in 1978 had he identified himself as an army man.) After becoming the paramount leader of China in 1978, however, Deng did not forget about his former army comrades. Of the eleven regional generals promoted in 1980, five came from his second field army. In 1988, of the seventeen generals promoted, ten came from the second field army (Vogel 2011: 456). Even those army members who were not affiliated to the second field army, such as Yang Shagakun, would rise through the army ranks due to their close personal ties with Deng. In other words, Deng's principle of competence was suspended when it came to army matters. Here, as Vogel (2011) notes, political loyalty was the key criterion. The army leadership was a unified group consisting of Deng's loyalists and, by extension, of pro-market supporters.

Immediately after Deng's 1992 'southern tour', the army generals loyal to Deng made a surprise appearance at a Central Advisory Commission meeting– an institution which was a bastion of the conservatives – to issue the following warning: We are prepared 'to escort and protect' the reforms (Baum 1997: 501). In addition, during the spring of 1992, four army delegations would visit the free economic zones and the army newspaper *Liberation Army Daily* echoed Deng's comments and threats (Fewsmith 1997: 501). In other words, the army was on standby to intervene in this intra-party conflict. This open interference by the army caught the conservative elites off guard and would suffice for their retreat, according to Baum (1996).

In retrospect, the army took sides in the intra-party conflict at the beginning of the nineteen nineties against the 'threat of leftism; it intervenes in Tiananmen in 1989 against the 'liberal bourgeois threat'. Conveniently, it launched the Vietnamese campaign in 1979 while a power struggle between Hua Guofeng and Deng was taking place in Beijing; and before that, in 1977, it pressured Mao's heir into rehabilitating Deng (Dreyer 1993: 549). The key army protagonists in each of these episodes were different, but their function (indeed, the function of this organisation) had been the same: to tilt the odds in favour of Deng during moments of intense political conflict.

This was not a dyadic but instead a triadic relationship, whereby the reformist policies played a key role (from the mid-nineteen eighties onwards, at least). During the nineteen eighties, the army was instructed to provide civilian services and engage in profit-oriented activities (see Vogel 2011 chap. 18; Baum 1996). The official guideline was that 'all units that can be managed as enterprises should be converted into enterprises' (Cheung 2001:28). Many army units embraced such an opportunity; conversely, there was a significant overlap between China's new entrepreneurial class and the army by the late nineteen eighties (see Cheung 2001:

26-50). The decision to involve the army in profit-seeking activities had some familiar ingredients: it was unconventional and unprecedented, it was Deng's personal initiative, [108] and it was multifunctional—namely, it served both economic and political purposes. Although the army was allowed to set up business activities on a trial basis first in 1982, the decision was formalised later in 1984. Thus, the conservative rhetoric of rolling back the reforms to the pre-1984 era did not resonate well with the army.

Having said that, stopping at Deng's relationship with the army would portray a somewhat distorted picture of his capacity to exercise control over the reformist processes in China. On his journey as a reformer, Deng had another reliable ally, the general public**.**

Deng and the public

The antagonism in the relationship between the state and the people in China has been consistently overstated in western discourse (Perry 2008:23). By extension, the co-operative dimension to the relationship between Deng and the Chinese public, and how this shaped the reformist outcomes, has been neglected. Without discussing the reasons why this is so, protests (i.e. the most visible elements of civic activity) in China were often not about challenging state power. As has been observed by social scientists (Cheek, 1992:124; Goldman 1991; Teets 2014), social protests in China were often not about challenging the CCP, but aimed at supporting or opposing specific Party policies or leaders (the evident outlier here is the 1989 protests). Furthermore, the idea that protests are useful in that they provided information on how to improve public policies was part of the Chinese political culture.. The relationship between Deng and social actors often fell into that (non-antagonistic) pattern (see Ruan 1994; Vogel 2011; Pantsov and Levine 2016). It is worth noting that public displays of support for Deng preceded the reformist era.

Deng seldom addressed the public directly – which is opposite of what leaders who can claim strong public support do. However, Deng's preference for working behind the scenes and his capacity for gaining public support were complementary components. Mentioning the first without mentioning the second is a misrepresentation of his role and functions as a reformer. The reasons for this symbiosis are simple: in contrast to Mao, and in some ways as a rejection of Maoism, Deng eschewed the role of the great leader, and precisely therein lay part of his appeal as a leader. Exposed for years to propaganda regarding the infallibility of their leader, while facing social and economic misery, the Chinese people wanted something different. Deng's absence in conjunction with the improving economic conditions for the average Chinese citizen fitted that bill. The Chinese people were free, however, to associate the cascade of positive changes taking place during the nineteen eighties with Deng's leadership, and most did so, as Pye notes (1993).

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[108] [The army] should devise ways to assist and actively participate in national development, argued Deng in October 1984 (in Cheung 2001:27; see also Vogel 2011 chap 18;).

In the people, Deng found an ally even more powerful than the army, arguably**.** Chinese society was relatively strong, vibrant and active, as a legacy of the Cultural Revolution era (on social protest, see Perry 2008; on the legacy of the Cultural Revolution, see Rosen 1985; also, Liu 1987)[109]. Some scholars discard the Cultural Revolution as being a sham democracy and therefore inconsequential regarding the development of civil society in China (see Stojanovic 1981:75). Such claims, arguably, conflate the process with its consequences. It is likely that Mao's experiments with direct democracy were self-serving and dogmatic but their contribution to raising democratic awareness among non-state actors was real. A case in point was the following: most prominent pro-democracy activists on a societal level during the nineteen eighties were none other than the ex-Red Guard members.[110]

The public's support for Deng was, as mentioned above, enduring and preceded his rise as the paramount leader of China. In 1975, shortly before Deng was sent into another political exile by Mao, there were mass protests supporting him. After the crackdown, a 'silent' protest continued in Beijing. The protestors' message was simple: 'Deng is the chief' (Pantsov and Levin 2015: 300). In other words, the people envisioned Deng as being China's leader even before the CCP did so. In 1978, during the succession struggle, as discussed in above, the Chinese public stood by Deng. In 1984, on China's National Day, shortly before the next set of reforms were introduced, there was a large, spontaneous demonstration of public support for Deng's leadership in Beijing. As Vogel notes, the 1984 protests 'were in sharp contrast to the orchestrated, reverential "Long live Chairman Mao" slogans that the Red Guards had shouted seventeen years earlier in response to orders from above' (2011: 397). The people again stood with Deng during the decisive confrontation with the Party in 1992**.** It is important to note that

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[109] Liu Guokai, A Brief Analysis of the Cultural Revolution, trans. Anita Chan (Armonk, NY: M. E. Sharpe, 1987), 144-45.

[110] Wei Jingsheng, the famous Chinese dissident who campaigned for a 'fifth modernization' during the early 1980s, was an ex-Red Guard. On the Red Guards and civic activity in the post cultural revolution era, see Rosen 1995.

this partnership occurred not because of, but rather despite, the communist propaganda machinery. It was built upon Deng's promise that 'socialism is not poverty' and withstood the turmoil of 1989 due to the fact that Deng was presiding over the 'biggest anti-poverty program the world has ever seen' (McMillan 2002: 94).

Deng, on three occasions, suppressed pro-democracy activism in China (1980, 1987, and 1989. Nevertheless, the Chinese people and Deng were often on the same side and those were the moments when major reformist breakthroughs occurred in China—in 1978, 1984, and 1992 (see Ruan 1994, also Vogel 2011, Levine 2013). Deng had never staged rallies of public support for his leadership (there is no evidence to suggest otherwise); nonetheless, that public support appeared when needed most. Had Chinese society been passive, and unable to pick up the cues of the political situation developing at the top, those reformist breakthroughs, arguably, would not have occurred. It seems that Deng and the general public were two actors bound together by shared preferences (to drive China out of the misery brought about by past state projects), acting in co-ordination and having an implicit understanding of their capacity to tilt the processes in the desired direction.

Deng and the CCP

If Deng was able to find a common interest with the public and the army, he was indispensable for the CCP. In this case also the reformist policies (and principles) played a key role in creating such a reality.   .

But let us start first with Deng's personal network. Deng, as noted above, had established his reputation with the army during the war-time period. During the nineteen sixties, and before the Cultural Revolution, he was heading the party Secretariat where he was able to establish his bureaucratic network. And, because Mao rarely travelled abroad, he was also Mao's emissary on many important foreign missions. He led the Chinese team in the difficult negotiation sessions with the Soviet Union during the Khrushchev era (see Levine and Pantsov 2015). He also led the Chinese UN delegation in 1974. After 1974, Deng became America's principal interlocutor in China, according to Kissinger (2012). In all these roles, Deng would earn his reputation as being someone who got the job done. More importantly, no other party member– not the other revolutionary elders, let alone the second or third generation leaders – had such a wide career path. His *personal network* was unparalleled (Susheng 1995: 235).

Generally, informal (personal) networks are a valuable asset in politics; they have a special role in socialist systems (they usually go under the name *blat* in the Soviet Union and *quanxi* in China). In China, after the Cultural Revolution, personal ties gained more importance than elsewhere (see Pye 1992; Gold 1985). In terms of assets, therefore, Deng was in a good position. Deng's personal network was not by itself a reason for his indispensability.

After 1978, China was entering a period of comprehensive change: the function of the state ideology was changing, political culture was changing, the ideals and interests of different actors were colliding, and functions of different state organisations were overlapping and were unclear (more than usual). In other words, these were moments when (*ad hoc*) arbitration was required.

After 1978, it became apparent that the official party leader could not provide such arbitration whereas Deng could. Let us recall here that after Hua's defeat in 1978, Deng took no significant post in the party nor the government, but, by promoting the separations of power principle, he also made sure that no one would be able to act as the predominant decision-maker based on institutional power.

By compartmentalising state power, therefore, Deng made himself the *de facto* leader of China. He did not enjoy Mao's prestige (few party members would profess their personal loyalty to Deng), nor was he ever officially recognised as being the party leader. However, he did not need either of those in order to act as China's key decision maker. His *personal network,* in conjunction with the *policy of separations of powers,* would suffice for such purposes.

Granted, those 'rules of the game' were no longer valid after 1988. After the Tiananmen events of 1989, Deng was no longer seen as being an asset for the Party. However after a decade of reforms, the regional governments acquired a certain degree of independence from the CCP centre; the Party no longer had total control over public discourse or economic processes. Conversely, the conservative takeover of the CCP after 1989 did not amount to total control of China. They were able to purge and silence the pro-liberal party members, and censor Deng's 1992 tour, but they needed more than that in order to assert their dominance. If everything went as expected, the Fourteenth Party Congress in 1992 would have given them such an opportunity. By taking the conflict onto the streets, involving the army in the conflict, and also twisting the arm of the new general secretary Zijang Zemin until he shifted sides in early 1992, Deng acted against such a scenario.

I am not suggesting here that in the absence of Deng's intervention the conservative faction could have rolled back time. This was a new China where private trade accounted for more than half of total GDP (Shangquan 1999: 101), where the private media outlets had a greater audience than the party-state media (see Pei 1994), and where the notion of a closed, self-sufficient national economy was no longer valid. Perhaps by 1992 the policies of 'reform and openness' were indeed a historical trend, as Deng would state. The suggestion here is that without Deng's intervention in 1992, it is difficult to imagine that China would have ever been able to enter into another reform frenzy, let alone exit from its state of perpetual cycles of uncertainty and crisis that existed throughout the twentieth century.

Deng and the policy of separations of power

Deng's power and the policy of separations of power is one of the most important but often misunderstood dimension of Deng's era reforms. Whether putting this policy on the reform agenda initially reflected Deng's intentions or the presence of multiple centres of power during the post-Mao era is unclear. More important than speculating about the origins of this policy is to understand its immediate effect. This policy was enabling for Deng just as it was constraining for others; more precisely it was enabling Deng by constraining others. To elaborate this claim, I must turn once again to Deng's relationship with the army and the public. Deng's abilities in gaining public and army support were not a product of his institutional authority; history, not office, provided the necessary pillars here. As such, Deng's leverage, his capacity to enter into a highly inequalitarian relationship with other individuals at the top remained unaffected by the efforts to create a functional division of authority among officeholders. He related to this policy in a different way. Separations of power principles found their counterweight in both China's political culture and also the nature of the socialist system. Compliance with this emerging rule did not come naturally; it often required Deng's assistance. For instance, when General Secretary Hu interfered with the government's work on economic reforms (by opposing more market-oriented reforms) in 1982, the Premier would take this issue to Deng for a swift solution (Zhao 2009: 114). When Chen Yun, who was in charge of macro-economic and fiscal policy, felt that the General Secretary Hu Yaobang was working against the set macro-economic parameters, he took that complaint to Deng in March 1983 (see Vogel chap. 19).

For other actors, therefore, the principle of separations of power defined the domain of authority and autonomy; or determined what was outside that domain. For Deng, the principle of separations of power meant more authority, more responsibilities, and more opportunity to act arbitrarily. More directly, one of the effects of the policy of separations of powers is that it centralized power. And, with reference to this reality, we can say that the issue with incrementalist accounts is not that they simplify the power constellations in China but that they move in the wrong direction.

The other, more relevant point here is that the events of 1992 did not unfold randomly; instead, they followed the same script as previous episodes of elite conflict and reforms. This was the pattern Deng clashed with the Party (1978; 1984, 1992), the Chinese people took Deng's side, as did the army, and Deng's argument prevailed over that of the conservative faction and a new leap towards reforms followed. Such patterns are worth noting as they are at odds with the much-lauded claims of spontaneity of the Chinese reforms.

5.7 Considering the alternative lenses: how focusing on Deng's words and deeds exposes the limitations of incrementalist models

In the introduction to this chapter, I suggested that looking at Deng's words and deeds brings out the partiality of the truths discovered by those who find the Chinese reforms as being open to modelling, along the lines of incremental change, and at the same time allows us to deal in a systematic manner with what lies beyond those truths. The pages below substantiate such claims.

The findings of the incremental models of China's reforms are substantiated by archival documents, interviews and careful observations regarding the behaviour of individuals found within the state bureaucratic organisations in China. As such, they are immensely valuable in that they identify certain features of policymaking in China that would have remained hidden otherwise. Shirk's model of 'delegation by consensus', for instance, brings to our attention the fact that the phenomenon dubbed by Theodore Lowi as 'interest group liberalism' has its equivalent in China. However, as Selznick (1996:276) has warned regarding these types of studies, they are unwilling or unable to recognise the partiality of the truths they uncover.

Incrementalists, most notably, try to fit the dynamics on the elite level in China within their models, and in doing so try to offer a comprehensive model of China's reform. According to incrementalists, power was fragmented at the top in China. Within this narrative, they claim that Chen Yun (the leader of the conservative faction) was able to directly compete with Deng over policy decisions (see Naughton 2007 and 2008). More questionably, they identify Zhao Ziyang as being a key policymaker and implicitly as being the pivotal figure in China's reforms.

> Zhao had to defer not only to Deng Xiaoping, but also to other senior revolutionary leaders, most important of whom was Chen Yun. Partially because of this political environment, Zhao's policymaking was cautious and gradual, and he had to be able to create at least a passive consensus behind each policy he wished to push forward. (Naughton 2007: 91)

Adding to that narrative, Shirk makes the following claim: 'To minimize the threat to central economic agencies…Zhao Ziyang decided to *expand the market sector gradually while maintaining the plan sector* instead of replacing plan with market at one shot (1994:130; emphasis in the original). This claim is peculiar for many reasons (e.g. the idea of 'replacing plan with market at one shot' seems as something otherworldly) but, for the moment, let us focus on Zhao Ziyang's segment. In his diaries, while reflecting on the reform era, Zhao identifies himself as being a chief of staff rather than someone with decision-making powers (Zhao 2009; see also Vogel 2010). It should be noted that the gap between someone whose responsibility lies in handling day-to-day matters and making policy proposals and someone who has the authority to decide what role the market will play in the economy is extraordinary. Zhao's staff members (see Jiaqi 1995) as well as Deng's biographers (see Vogel 2010) also fail to notice Zhao's decision-making authority. It seems that 'Zhao–the decision maker' was a figure who existed only in the incremental models of the Chinese reforms. Thus, we are led here to believe that the incremental model, apart from offering a parsimonious explanation regarding the dynamics of change in China, contains insights about the distribution of influence and decision-making powers among individual leaders in China that area experts, biographers, and actual participants were unable to see for themselves.

We will return to the gap between the realities and the representations of the power relations further below. For the moment, let us consider some typical concepts that derive from incrementalist accounts and show how Deng's behaviour consistently eludes those concepts.

If there was such a norm in China that stated that economic policy was to be made by a 'delegation by consensus'[111], as Shirk (1994 chap. 7) claims, then Deng did not actually abide by it. There are numerous examples of Deng acting unilaterally on the policy plane. Shirk does point that this consensus principle did not always work, but she does so only to further highlight the influence of bureaucratic organisations over the policymaking processes (Shirk 1994: 123-124). In other words, the consensus principle is taken as a proof of the influence of state bureaucratic organisations over the policymaking processes, and the failure of this principle is also taken as a proof of their influence. This policy dynamics in Shirk's account appears in a bubble, where no attention is given to the fact that the space for the regular bureaucracy to influence the policymaking processes was severely restricted with the SEZs taking the role as' policy laboratories'; also with the establishment of extra bureaucratic organisations such as the research centres, and the increasing reliance of the Chinese reformers on foreign advisors. Also neglected is the fact the establishment of the meritocratic system profoundly changed the culture within those bureaucratic organisations and the fact that issues over which those organisations were supposed to reach consensus over were often new and radical. In sum, this regular method of policymaking is presented as the most important aspect of Deng's era reforms with little regard for the compelling evidence that challenges such an assertion.

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[111] In Shirk's (1994:116) account delegation by consensus refers to the following dynamics: 'The CCP delegates to the State Council the authority to make specific economic decisions. The State Council leaders at the top of

Regarding Deng, Shirk does not completely ignore Deng's unilateral actions but treats such episodes as mere incidents. Granted, Deng's policy interventions in economic policies were infrequent, but, as this chapter shows, they were not random, impulsive or inconsequential. For instance, as mentioned elsewhere in this chapter, in the early 1980s, Deng invited experts from Japan and the World Bank to put forward proposals regarding how to revitalise the Chinese economy (see Vogel 2010); and he imposed a set of policies based on those proposals. This is as distant as one can get from the 'delegation by consensus' norm.

This consensus norm can tell us little about the pillars of Deng's era reforms, still less about the events by which the fate of Chinese reforms was determined; it is, however, a useful benchmark if we want to identify the extent to which Deng's actions deviated from established norms and created conditions for some alternative ways of policymaking to emerge as predominant.

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the bureaucratic hierarchy delegate to their subordinates the authority to make decisions if the agents can agree. If the agents reach consensus, the decision is automatically ratified by the higher level…'

If, as Shirk argues, there was a certain norm in China for leadership positions to be appointed by a ‘selectorate’, and if this politicised policymaking processes by fostering ‘quid pro quo’ dynamics (Shirk 1994: 81-91), Deng deviated and acted *deliberately* against that norm.[112] Deng’s transgressions are important as they point to another emerging system in China during the 1980’s. The meritocratic system (university reforms + merit-based recruitment of party and state officials + performance-based advancement opportunities for party and state officials) was devised specifically in order to depoliticise and standardise the appointment decisions so as to weaken those ‘quid pro quo’ dynamics.

If there were certain equilibria on an elite level, Deng was operating outside and against it. Incrementalists occasionally acknowledge Deng as being an outside figure, but reduce his role to being one of ‘the court of last resort’ – someone who intervenes only when the bargaining parties have reached a deadlock (see Lampton 1992:53). Deng did act as an arbiter but his roles and functions in relation to the reforms cannot be reduced to that alone. He can be seen as being someone who was entrusted with extraordinary powers for a limited period so as to deal with a specific set of problems. Carl Schmitt calls such a figure the ‘commissary dictator’. The issue here is by no means a matter of semantics. If we identify Deng as an arbiter, the game analogy that inrementalists use in order to describe (explain) the power dynamics in China remains somewhat justifiable. However, if we identify Deng as a ‘commissary dictator’, the game analogy becomes a poor one, unless one aspires for a comedic effect. [113]

Let us consider for a moment why it is safe to identify Deng as a ‘commissary dictator’. Such a figure has the power to enact rules which grant him flexibility and, at the same time, bind other interested parties. Here is how one participant identifies those rules in China: ’Whatever Deng Xiaoping says must be carried out, unless it is not feasible’ (Jiaqi, 1995: 7). ‘Never exceed the “speech space” set by Deng Xiaoping’ (Jiaqi, 1995: 8). The strength of a given set of rules, whether formal or informal, becomes visible when someone explicitly tries to break them.[114] There were a few instances when actors (groups, individuals) coming from both ideological ends of the spectrum had tried to challenge those rules in China. As the repercussions for those actors were severe dramatic enough, it is safe to infer that those rules were indeed real, enforceable and enforced.

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[112] Not the ‘selectorate’ but instead Deng’s personal lists often settled the matter of who was to be promoted, demoted or excluded from the party. A blatant example of this were the appointment decisions made during the 14th Party Congress in 1992. The case of Hu Jintao is another vivid example of how the’ selectorate’ did not function. Hu Jintao was able to claim the top position in China in 2002 because Deng identified him as being the appropriate successor to Ziyang Zemin

[113] To use the game analogy, the game that was being played in China during Deng’s era on the elite level was a monty pythonesque type of game where one of the contenders was also an arbiter and carried a not-so-concealed gun.

[114] Informal rules can also be enforceable. Helmke and Levitsky define them as being ‘rules that are created, communicated and enforced outside of officially sanctioned channels’ (2006:5).

Why Deng was granted such special powers is no mystery. To indulge for a moment in functionalist thinking, elevating Deng to such a position of power provided a quick remedy to three interdependent and pressing problems that the CCP was facing after Mao's death: 'the people', 'the army', and the unsustainability of the existing economic model. During the late nineteen seventies, the situation in China was extraordinary fluid – people (in the urban areas) were no longer just passive recipients of directives from above and the army no longer acted simply as the extended arm of the Party (on the turbulent relationship between the CCP's political leadership and the army, see MacFarquhar 1997: 249-291). The Party without Deng was incapable of containing the army. Even Mao without Deng had experienced difficulties in containing the army (see Teiwes and Sun 2007: 254; MacFarquhar 1997: 291 see also Vogel 2011; Pantsov and Levine 2015). The general public during the late nineteen seventies was antagonised by the Party, as the mass protests across Chinese cities in 1975 and 1978 showed, just as they were, as the messages on the Democratic Walls across the major Chinese cities indicated, supportive of Deng. [115]

These realities are lost on incrementalists. Although they discuss the 'political logic' of reforms in China, and use, rather liberally, terms such as 'the law of anticipated reactions' (see Shirk 1994), they fail to recognise the Chinese public as being a political actor, the army as a powerbroker, and the special relationship that Deng had with those actors. Here is a more recent reassertion of their claims:

> In the 1980s, power was fragmented and distributed among a large number of elders and second generation leaders, many of whom had a veto over some aspect of policy. As theory predicts, such a configuration was associated with *low decisiveness*, but relatively stable policy positions. (Naughton 2009:7)

'As theory predicts' seems to be the only unproblematic element of the above quotation. Namely, theory indeed predicts that fragmented power leads to low policy decisiveness.

The key failings of the incremental models of the Chinese reforms are not conceptual. The concept of incrementalism, depending on how one defines it, can be made to fit the Chinese realities; or the realities of reforms in China can be reduced to fit those concepts.[116] Let us say for the sake of argument here that 'market reforms in the absence of political reforms' is a somewhat plausible interpretation of the Chinese reforms. The fact that such models completely omit the role of ideas in shaping the policies of change in China, again, seems acceptable. Modelling entails looking at specific factors at the expense of neglecting others. Conflating experimentalism with incrementalism (another trademark of the incrementalist accounts) is again not a serious mistake. (Although it seems that experimenting explicitly outside and against the canons of Maoism, which was a key feature of Deng's era experiments, does not fit within the category of incrementalism.) More serious problems with incrementalist accounts appear once we pay attention to their explanatory claims**.** Those are quite clear: permanent competition among political actors in conjunction with the dispersion of political power turned policymaking during Deng's era (and afterwards) into a consensus-seeking enterprise. The key explanation for that incrementalism, therefore, is the *distribution of power* in China. On their own terms, it is essential that such accounts correctly identify the power constellations in China. They miss their mark here. Not only do they underestimate Deng's power (and misread his role), but they also blindside the role of two other powerbrokers in China: the army and the people. This is no minor omission, as in reality the relationship among these three actors did not shape the dynamics of change in China at one particular moment but instead predominated key events throughout Deng's era.

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[115] Opinion polls are a good indicator of public attitudes; behaviour on the streets of Beijing is, I believe, also a solid indicator of public sentiments.

A few reminders are in order. Deng was able to emerge and to establish himself as the de facto leader after Mao's death because he alone was able to gain support from both the public and the army. He was able to break the deadlock in 1984 and 1992 and orchestrate a new leap towards reforms, again, by summoning support from those same actors. Only by ignoring this enduring coalition, the argument that Deng's era reforms were a product of players with mutual veto powers engaging in co-ordination by mutual accommodation becomes plausible.

Stating that incrementalists do not correctly identify the power constellations in China during Deng's era is by no means an original idea. Other scholars argued this point some decades ago (see Hemrin and Zhao 1995; Teiwes 1995). Although there is nothing wrong with repeating underrated but valid points, this section revisits the claims about Deng's era reforms that derive from the incrementalist approaches in order to make two other complementary points. First, to substantiate the idea that incrementalist models are inadequate for capturing the relationship that Deng formed with policies and other actors and at the same time incapable or unwilling to recognise such limitations. Secondly, to show that looking at the Chinese reforms through the prism of Deng's conduct is a useful exercise for pinpointing aspects of the Chinese reforms that remain unaccounted for in the incrementalist models.

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[116] As noted by Widawskiy (1979) and earlier by Lindblom (1963:64) there is no scale by which to measure increment and it is difficult to draw a sharp line between what can be characterised as incremental change and something else.

Conclusion

Incremental change and transformational outcomes are not mutually exclusive, and the former is often an important component of the latter, as Thelen and other likeminded social scientists have brought to our attention (see Streeck and Thelen 2005). China, during Deng's era, was no different in that regard (see, for instance, Shi 2006: 362-9). There is a leap, however, from recognising incrementalism as being constitutive of Deng's era reforms to identifying it as being the overarching feature of those reforms and the key reason for China's economic miracle. This leap is made, as this chapter shows, by side-lining the role of political reforms in altering China's landscape, by misreading the power constellations and by artificially divorcing the elements of coherence and cohesiveness of those reforms from the exercise of power at the centre.

As shown by this chapter, asking how leadership has structured change and focusing on the interactions between Deng's exercise of power and the performance of the reformist policies has therapeutic effect (for understanding the discrepancy between the complexity of the Chinese reforms and their representations) in that it puts in perspective precisely those dimensions of Deng's era reforms that go unrecognised by the incrementalist accounts.

Restating some of the key points of this chapter, Deng's era reforms were not entirely comprised of spontaneously emerging patterns, but had a centre and a purpose – to subvert the Maoist norms. The cult of personality, the cult of poverty, moral incentives, and the primacy of ideology over practical matters – these characteristic elements of Maoism were replaced with their opposites under Deng. This subversion of Maoist norms was not a slow or sequential process; instead, it occurred in one-stop. After 1978, there was a decisive policy intervention (affecting education, defence, economic relations and administrative matters); those new policies were incompatible with Maoism and in harmony with Deng's discourse on change.

There are two additional points to be made about Deng's subversiveness and the reform design.

The logic of instrumentality, which was a guiding policymaking principle during Deng's era, was a product of both deliberation and deviation. It was deliberate as Deng's so-called 'cat theory' was, in its essence, a denunciation of the logic of appropriateness/value rationality. It was discontinuous as it was the exact opposite of Mao's policy approach. If there was anything distinguishable about Mao's approach to solving the problems of social life, it was that those solutions adhered to certain standards of appropriateness. What values would be conveyed by a certain policy was a matter of key concern for Mao.

No less important, Deng's era reforms were not only about the economy, as subverting Maoism could not have been only about the economy. Deng argued:

> It is true that the errors we made in the past were partly attributable to the way of thinking and style of work of some leaders. But they were even more attributable to the problems in our organizational and working systems. If the systems are sound, they can place restraints on the actions of bad people; if they are unsound, they may hamper the efforts of good people or indeed, in certain cases, may push them in the wrong direction. Even so great a man as comrade Mao Zedong was influenced to a serious degree by certain unsound systems and institutions, which resulted in grave misfortune for the Party .. Stalin gravely damaged socialist legality, doing things .... would have been impossible in the Western countries like Britain, France and the United States. (1984:316)

It is important to note here two things. First, while trying to cope with the question 'How did we get here?', Deng identified institutions, as opposed to personalities, as the key culprits. This is what separates him from the other communist reformers and, by extension, the Chinese reforms from those in the other communist countries. The 'economic reforms' frame obscures this reality. Second, Deng saw the problem of weak institutions vis a vis leadership as being something that emanated from the nature of the socialist system; he considered Maoism one of the manifestations of the weaknesses of the socialist system. No less importantly, Deng acted upon these issues, and *those actions have created a certain institutional legacy*. The norm-bound succession politics, the increase in meritocratic, as opposed to factional, considerations in the promotion of political elites (see Nathan 2003), the demise of the party ideologues and the advent of technocrats (see Lee 1992): each of those novelties relate to Deng's actions as a reformer (see Vogel 2010).

Focusing on Deng's exercise of power proved useful not only for identifying reform blueprints; it also proved useful for putting into perspective a certain quality of those reform *processes*.

The rigidity of the Chinese reforms. Deng also added certain rigidity to the reform processes; this is observable when we consider his relationship with the pro-market policies. As Zhao Zeyung, the prime minister during 1980-87 and general secretary of the CCP during the 1987-9 period, would note on this point: 'Even though he [Deng] said different things at different times, he was always inclined towards a commodity economy, the laws of supply and demand, and the free market' (2009: 119-20). This becomes even more apparent when we take into account Deng's conduct in the political arena and the policy-politics nexus. Deng remained committed to the 'efficiency criterion' during moments of political conflict and uncertainty. It is difficult to find an example where Deng subdued the quest for more efficient administrative procedures and developing the national economy in favour of securing short-term political victories. More importantly, Deng's political triumphs had concrete and consistent policy outcomes: namely, they were reinforcing the market trends.

This is not to deny that spontaneity and self- sustainable dynamics were part of Deng's era reforms but instead to show that Deng's contribution to those processes is identifiable and distinguishable from those forces.

The nexus between non-routine actions, Deng's power, and the instiutionalisation of the reformist policies. Deng's non-routine action was precise, deliberate and related to power and to policy in a consistent manner across different temporal points. Deng's capacity to predominate events did not emanate from his positional power; instead, it was also a product of his risk-taking and rule-breaking actions. Examples of this are the decisions of the 14th Party Congress and the events that preceded the congress. Deng reigned supremely over the Congress unlike at any previous point; this was preceded by his southern tour – a non-authorized act which some consider as being the most dramatic political incident after the Tiananmen crackdown–(Zhao 1993:739). How Deng's power and non-routine actions mattered on the policy plane is most visible when we consider the trajectory of the SEZ's.

Whether the SEZ's were Deng's idea, as he would claim (see Pantsov and Levine 2015), or not, as Teiwes (2011) argues, is less clear (and probably not that important). What is clear, once enacted, is that the survival (and expansion) of the SEZ's was not simply a matter of their fit with the environment but was directly related to Deng's political triumphs over his conservative opponents. [117]

Those triumphs were another policy story. Deng had two key supporters at home: the people and the army. He was able to maintain the support of these two actors due to certain unorthodox policy decisions., In the early nineteen eighties, Deng had made the critical decision to actively involve the Chinese army in the reforms. Granted, for the army to provide civilian services was a common practice across the communist world. The Soviet army, for instance, devoted half of its capacities to production for civilian needs (Ellman & Kontorovich 1998: 258). Deng did something unprecedented here. He instructed the Chinese army organisations to remodel themselves as profit-seeking enterprises. No less importantly, such army activities were largely outside the reach of the regular bureaucracy (see Vogel 2010). And it worked. The overlap between China's new entrepreneurial class and the army was, arguably, one of the key pillars of China's economic miracle.

This chapter has engaged with the particularities of Deng's era reforms in order to say something general (about the benefits of considering the relationship between leaders and policies of change from outside the mainstream approaches to institutional change). The main point of this chapter is the following. Asking how leadership structures change and focusing the constant interactions between leaders and policies of change is useful in that it draws attention to elements of real-world reforms that we are likely to miss or misrepresent when using some of the conventional lenses for studying individual agency and institutional change. The next chapter repeats this point by using a different example.

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[117] In 1984 and 1992, there was a heightened tension, if not an all-out open political conflict, followed by another leap into reforms. The intervening variable between that tension and the subsequent leap was Deng acting decisively and unexpectedly.

CHAPTER 6

How leadership has structured institutional changes in the Soviet Union: Gorbachev and the policies of perestroika

6.1 Introduction

The 1996 presidential elections in Russia were extraordinary for several reasons. All candidates were ex-Communist party members. The early favourite was none other than the Communist Party leader Gennady Zyuganov; according to the initial polls, he had double the amount of support that acting-President Boris Yeltsin had (Haugh et al. 1996: 80). A timely financial injection from the International Monetary Fund, $10.5 billion, (a common type of western intervention in dependent countries) coupled with the domestic support of the oligarchs, who allocated $600 million to Yeltsin's campaign according to some estimates (Aslund 2007), prevented a surprise outcome here and helped Yeltsin secure his re-election (see Kotz and Wier 2007 chap. 14).

One of the contenders for the presidency was Mikhail Gorbachev. He gained 0.5% of the popular vote. Within a broader historical context, this total indifference of the electorate towards Gorbachev was odd in the sense that he, as a leader, promoted some universal values that were compatible with the political order that replaced the ancient regime**.** At a closer look, the ominous signs for Gorbachev's political debacle were there**.** During the campaign period, various polls indicated that he would win less than 1% of the popular vote; he was booed and heckled during his rallies. To the surprise of everyone, Gorbachev remained undeterred by this mix of antagonism and indifference. In this hostile audience, Gorbachev saw an opportunity to draw parallels between himself and Jesus; the opinion polls did not deter him from claiming that he had a good chance of winning the presidency (*The New York Times* 1996, May 17). The bottom line was that Gorbachev ignored the obvious here, and, on this account, he was a repeat offender.

This chapter explores the period when this disposition was not so inconsequential; it focuses on the interactions between Gorbachev's exercise of power and the design of the policies of perestroika. The purpose is not to say something entirely new about Gorbachev's era reforms but to measure the distinctness of such an approach and consider its plausibility and usefulness.

To that end, this chapter considers and challenges the alternative representation of the relationship between Gorbachev's leadership and the policies of perestroika that emanates from the mainstream literature on Gorbachev's era reforms.

The interest group model of policymaking has been the long-standing, predominant influence upon social science literature on the Soviet Union (see Skilling 1971; Hough and Fainsod 1979; Solmon et al. 1983). As mentioned elsewhere in this study, such accounts replace the positive connotations of Dahl's theory of 'pluralism' with the cynicism (realism) of Olson's 'public choice approach'.[118] With regard to the Soviet Union, the focus of such models is upon the political obstacles to market reforms. The theoretical reasoning is straightforward. The communist leader has an 'encompassing interest' in securing economic growth (and thus he is open to the prospect of market reforms when all else fails) whereas the bureaucracy, whether due to 'institutional sclerosis' or the motive for self-preservation, is set upon obstructing economic reforms. The 'devolutionary process'– a process whereby the power of bureaucratic actors rises at the expense of the party leadership – allows the bureaucracy to prevail in the end (see Murrell and Olson 1990).

These lenses have been used with the same vigour in order to analyse policymaking in the Soviet Union during both Brezhnev's era and Gorbachev's era. 'Market reforms would be fiercely resisted by the state and the Party bureaucracy' claimed Schroeder 1979: Starr 1990; Tompson 1993). Aslund, a decade later, writes, 'His [Gorbachev's] scant success is obviously due to resistance at all levels.' (1989, see also, Aslund 2007). In one of the most recent accounts of Gorbachev's reforms we can find the following claim: 'The policies of the perestroika era can only be understood with reference to the political forces that obstructed Gorbachev at every turn' (Miller 2016: 9). Gorbachev was supportive of market reforms, so runs the narrative, but he faced opposition from all directions. ‘Not only the industrial ministries but (more immediately threatening for a General Secretary) the Communist Party leadership and the party apparatus, the military, and the KGB were committed to the command economy and powerfully opposed to anything smacking of capitalism’ (Brown 1996: 133).

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[118] Generally speaking, the analytical focus of such models is upon the preferences and utility maximising strategies of powerful actors; in relation to change, they seek to explain how those who profit from the existing institutional arrangements obstruct collective progress (Olson 1982).

The interest groups which were obstructing market reforms during Gorbachev’s era are considered as having stable preferences amidst a changing world around them. The consensus on change that existed within the Soviet Union in 1985, as well as the generational changes in Soviet leadership positions, are rendered as being essentially inconsequential for the power constellations and the preferences of those with power. '[T]he ability of the ministries to control the reform process, even when directed by energetic and serious reformers like Gorbachev and his entourage, rather than the compromised and weak politicians of the Brezhnev era, is final proof of their centrality within the old system’ (Whitefield 1993: 180).

The word ‘sabotage’ makes a regular appearance in such literature. ‘Adamant in their egoistic conservatism, the apparatchiki sabotaged any attempt at reform’, writes Aslund (1995: 51; see also, Miller 2016; Winiecki 1990). The standard definition of sabotage is ‘the act of destroying or damaging something deliberately so that it does not work correctly’ (Merriam-Webster). As such, the claim that Gorbachev’s policies were sabotaged carries the connotation that there was nothing inherently wrong with them. Here we arrive at the second claim of interest groups focused studies. Gorbachev’s economic policies were inspired by those in China (Aslund 2007; Solnick 1996, Sachs 1995, Miller 2016) and thus they were practically (if not politically) feasible. Therefore, whereas the Chinese reformers did not know where to go after 1978 (as per the incrementalist models of the Chinese reforms), the Soviet reformers led by Gorbachev knew the path but, nevertheless, they could not get there. The last claim emanating from such accounts concerns Gorbachev’s political reforms. Here the deterministic nature of such accounts comes into full effect. Faced with insurmountable opposition to market reforms, Gorbachev was forced to turn to political reforms (Rutland 2009: 54; Dyker 1992; Brown 1996; Aslund 1995; Gill 1991; Roeder 1993). Political reform in turn was bound to lead to the collapse of the Soviet system.

Such accounts make two specific claims about Gorbachev: ‘he wanted but could not’ (i.e. he wanted to bring Chinese- style remedies to the Soviet economy) and ' he had to do it' (i.e., he had to turn to political reforms in order to open up space for market reforms).

Predictably, not all accounts of the Soviet reforms see Gorbachev's path as a reformer as being predetermined by the political constraints (see Hewitt 1987; Sakwa 1990; Hough 1997; Ellman and Kontorevich 1998). The truth may be one (either Gorbachev was powerful but incompetent reformer or relatively powerless but creative with the resources at his disposal); however, instead of engaging with the truth directly, this chapter asks which of the two perspectives is more useful**.** Do we gain more (in terms of understanding Gorbachev's era reforms) by asking how leadership has structured change, or by focusing on what has structured the leaders' behaviour.

Determining whether the economic policies of perestroika were predominantly 'pro market' or 'anti-market' and dissecting the strength and preferences of Soviet bureaucratic actors are treated as second-order issues in this chapter**.** The focus instead is upon the incohesiveness of the policies of perestroika. By treating leadership as being a structuring phenomenon, this chapter anchors that policy incohesiveness, examines it in detail, and traces its origins as well as its consequences. The other aim is to show how those accounts of the Soviet reforms that focus on the power and preferences of interest groups are incapable, for the wrong reasons, of recognising that policy incohesiveness and its role in shaping the outcomes.

This analysis of the policies of perestroika diverges from the interest groups' literature in three substantial ways. First, it rejects the distinction between the pre-1987 'system-determined policies' and the post-1987 radical policies and shows that both the pre- and post-1987 policies came from the same mould. Next, it challenges the assertion that the political reforms of perestroika were some type of 'second-best approach' for enacting market reforms. Instrumentalism, as will be argued here, was absent from Gorbachev's modus operandi. Last, this chapter will show how leadership provides an alternative vantage point (to the entrenched bureaucracy) for examining the inability of the policies of perestroika to have an intended effect.

The inquiry in this chapter is organised around the following generic questions: What were the problems or the enabling factors that set out the terrain for a reformist course in the Soviet Union? What were the proposed remedies suggested by perestroika and how did they diverge from the existing standards and practices? What were the 'problems of the solutions', that is to say, the new tensions and contradictions brought about by the policies perestroika? How did the consensus on reforms turn into a reform-induced crisis and subsequently into a terminal crisis? How did Gorbachev's leadership relate to those processes? The focus is upon the events and processes from the moment Gorbachev was appointed as the General Secretary of the Communist Party of the Soviet Union (CPSU) in March 1985 to the moment when his perestroika was defeated (1990). The chaotic last two years of the Soviet Union are of no interest in this analysis.

6.2 The necessity (and consensus) for reform

The economic conditions in the Soviet Union were not so dire, compared to those in China during the pre-reform period. Famine and starvation were a thing of the past here. Some argue that general dissatisfaction with the economic situation was not an issue during the pre-reform period (see Ellman and Kontorovich, 1997: 262). Unlike in China, the pressures to reform in the Soviet Union did not come from society and were not as apparent as Chinese economic hardship.

That said, general apathy, as well as trends of ‘social parasitism’, absenteeism, and abuses of power by the *nomenklatura* (Ellman and Kontorovich, 1998: 97) were present. As Gorbachev’s Prime Minister would state:

> [We] stole from ourselves, took and gave bribes, lied in reports, in newspapers, from high podiums, wallowed in our lies, hung medals on one another. And all of this, from top to bottom and from bottom to top. (Nikolai Ryzhkov cited in Aron, 2011)

Perhaps a more fitting vantage point for analysing the pressures to reform the Soviet system is the general erosion of trust.

> Lack of confidence and the need for trust may form a vicious circle. A system – economic, legal, or political – requires trust as an input condition. Without trust, it cannot stimulate supportive activities in situations of uncertainty or risk. At the same time, the structural and operational properties of such a system may erode confidence and thereby undermine one of the essential conditions of trust! (Luhmann, 1988: 103)

This vicious cycle was present in the Soviet Union by 1985. The erosion of trust had a different intensity on different levels. ‘Evidence from the Brezhnev era (1964-82) suggested that the least privileged felt the most satisfied with their lives and the most wedded to Soviet values; people with higher status and more material benefits ranked among the most discontented’ (Bahry 1993: 6).

It is not that the Soviet citizens were oblivious to some of the absurdities of the official ideology, but egalitarianism and anti-materialism were well-entrenched values; Lenin was still regarded as being a national hero; even Stalin was not judged too unfavourably by the public. The numerous polls taken within and outside the Soviet Union throughout the nineteen eighties indicated a rather common concern: improving living standards (see Pei, 1994: 137-42; Grey et al., 1990). On this level, there was an erosion of trust in the political elites rather than in the system as a whole (Yurchak 2006: 200; 484; see also Shlapentokh 2001: 152; Strayer 1998).

In contrast, a growing number of white-collar workers (the intelligentsia, in particular) did become somewhat alienated from the system. State censorship on intellectual work, combined with open access to higher education and state support of intellectual work, played their part (Kotz and Weir, 2007: 64).[119] The absence of the promised withering away of the state in favour of a strong civil society was another alienating factor. There was some simpler motive at play here. In his *Wage Labour and Capital*, Marx notes, ‘A house may be large or small; as long as the surrounding houses are equally small it satisfies all social demands for a dwelling’, (1978). From the perspective of the Soviet white-collar workers, this maxim mutates into: ‘My dacha outside Moscow is right next to one belonging to a truck driver, and mine is no better than his’ (Kotz and Weir, 2007: 67). Simply stated, the Marxist idea that mental and physical work should have the same merit did not gain traction among the white-collar workers and the Soviet intelligentsia; it became an alienating factor instead. ‘Evidence from the Brezhnev era (1964-82) suggested that the least privileged felt the most satisfied with their lives and the most wedded to Soviet values; people with higher status and more material benefits ranked among the most discontented.’ (Bahry 1993: 6).

The Soviet elites also seemed open to the prospect of finding alternatives to current institutional arrangements – albeit for somewhat different reasons than the intelligentsia. The Soviet elites had better insights than the rest into the inconsistencies and contradictions between the official ideology and the real polity, into the endemic underperformance of the economic institutions, and into the widening gap (in technological progress) between the Soviet Union and western countries. The new generation of party elites was almost completely detached from the revolutionary struggle – all original members of the Bolshevik party had been executed by 1938. Among the Soviet elites, the following trend was observable: ‘Ideological literacy’

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increases, but form takes over meaning (Yurchak 2006). They came to 'regard the official ideology as a ritual external to their real mind-set', writes Zubok (2007: 340). For many, party allegiance was a career choice, appealing due to the privileges that come with it (Kotz and Weir 2007:106). Moreover, the lifestyle of their western counterparts left much to be desired, according to Kotz and Weir (2007: 32).

The system was poorly equipped to accommodate such a mindset from its managers. Direct incentives such as profit, bonuses, and performance-based career advancement opportunities were marginal, if not wholly absent. In other words, the built-in incentives of the Soviet system were not material and, therefore, they were not in accordance with the times. Naturally, the other engine of the Soviet system, the 'plan', was also in trouble**.**

By the mid-nineteen eighties, several consecutive five-year plans had fallen short of their targets, according to official records (Whyte 2011: 119-20). It should be noted here that 'Soviet statistics were fairly scanty and were intended more to conceal than to reveal real tendencies' (Mau and Starodubrovskaya, 2001: 233; see also, Ellman and Kontorovich, 1998: 95). The actual situation was more grim. Abel Aganbegyan, Gorbachev's chief economic adviser, claims that 'in the period 1981-85 there was practically no economic growth' and that 'unprecedented stagnation and crisis occurred during the period 1979-82, when production of 40% of all industrial goods actually fell' (1988: 3). While there is disagreement among scholars on whether the pre-1985 economic situation can be described as being a 'crisis', there is a consensus upon the issue of stagnation: 'In 1985, the Soviet economy had experienced a decade of stagnation, with no end in sight', write Kotz and Weir (2007:53; see also Whyte 2011).

Poor financial planning and management of material resources were some of the more evident culprits for this state of the economy. Up to 40% of the state budget was spent on defence and defence-related expenses, according to Gorbachev (1996: 215; see also, Medvedev, 1998[120]). This expenditure, according to Medvedev (1998: 96), was one of the key reasons for the sluggish performance of the Soviet economy. It seems that such extreme spending was a product of inertia. More to the point, the rationale for maintaining strong client relations with many communist regimes across the globe had faded by the early nineteen eighties, when it became clear that socialism would not take over the world and/or that the Soviet Union was incapable of carrying out such a grand project. Nonetheless, the Soviet support for the communist regimes in Cuba and Vietnam still amounted to 40 billion and 25 billion roubles per annum, respectively (Volkogonov 1998:495).

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[120] Medvedev also claims that ' The official data were much lower, but no serious economist believed the data on military expenditures as indicated in the state budget' (1998: 95).

There were extreme deficiencies at every level of resource management. Production and production planning were a problem: ‘Soviet products [were] using 2 to 2.5 times as much as energy and raw materials as comparable western goods’ (Sakwa 1990: 266). ‘More tractors and combine harvesters were produced than there were workers available to operate them’ (Whyte 2011: 120; see also Boldin 1994). The distribution of resources was also extremely inefficient. According to various estimates, between 40% to 70% of the fruit and vegetables produced did not reach the consumer (Sakwa 1990: 290; Whyte 2011: 120).

There is no compelling reason to suspect that the Soviet system, with all its glaring flaws, had passed the threshold of being sustainable. The narrative that the Soviet Union provided an equal, or even superior, alternative to the West, however, was no longer sustainable.

This survey on the troubles of the Soviet Union during the early nineteen eighties is by no means exhaustive. The more relevant point is that the necessity for change was well understood by everyone in the Soviet Union before Gorbachev came to power.

> By 1985 the USSR had reached the point where most members of the elites and counter-elites – ruling, opposition, and dissident – felt that the existing order could no longer be preserved. On this count, everyone was united – reformers dreaming of democratic and market principles taking root in the country; modernizers convinced that technological reconstruction would cure all ills; ‘revisionists’ hoping for a transition to democratic socialism; and ‘orthodox’ believers in state socialism, who strove to rebuild a milder version of Stalinism, purged of its Khrushchevite and Brezhnevite elements. (Gordon and Pliskevich cited in Mau and Starodubrovskaya 2001: 136).

6.3 Gorbachev’s ascendance and policies of ‘continuity’

The first impression (in 1985) regarding Gorbachev was that he would not meet the expectations for radical change. ‘The main theme in Gorbachev’s statements on reform is the twin desire to enhance central control and to enhance initiative and responsibility at lower levels', noted Ed Hewett (1986: 16). These were rather typical communist remedies.[121] Milovan Djilas claimed, in 1985, that 'Gorbachev is not a sufficiently decisive and creative personality to undertake radical changes' (cited in Volkoganov 1998: 451-2).

Some analysts consider those first two or three years of Gorbachev's leadership as being a period of consolidation of power and preparation for radical reforms. 'It took Gorbachev two years to "free his mind'' and prepare himself for the necessary radical reforms', claims Zubok (2007: 279; see also, Breusler, 2002: 232). 'Thus, at least until the beginning of 1987, the Gorbachev team took no… significant steps that could qualify as an attempt at reforming the existing order' (Mau and Starodubrovskaya, 2001: 134-35). 'In its first three or four years, perestroika was not much more than a deconstruction of Soviet authoritative discourse', notes Yurchak (2006:292). Gorbachev himself, in the aftermath, adopted such a reductionist view of his perestroika. He was only trying 'to set up conditions for radical economic reform by the early 1990s' (Gorbachev 1996: 218). Perestroika, in his interpretation, gained momentum only during 1988:

> Historians, who like everything to be in neat order, have been arguing whether perestroika and reforms began in March 1985 or at some later date. Well, in the first three years we made serious efforts to bring the country out of stagnation and to achieve renewal in all aspects of life. However, the real turning point, when perestroika became irreversible, was the XIX All-Union Party Conference. (Gorbachev 1996: 237)

Undoubtedly, 1988 marked a turning point for perestroika but not only because of the XIX Party Conference. At that point, it became evident that the promise that Brezhnev's era of stagnation was over was one on which Gorbachev could not deliver.[122] This *delegitimising* factor, one could argue, was as important a turning point as those purposeful changes introduced at the XIX Party Conference.

To see perestroika in terms of turning points is perhaps to deny its richness. The fact is that Gorbachev was quite active in the policy arena before 1987**,** and this research rejects the notion that Gorbachev's pre-1987 initiatives were a mere extension of the traditional system, occurring within the existing frames with no frames of their own. With this thought in mind, the following pages are as much about perestroika, its frames and its genesis, as they are about Gorbachev's efforts to consolidate his power.

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[121] Gorbachev also promised to eradicate nuclear weapons by the end of the century (see Zbukov 2007: 284), but this was nothing out of the ordinary; trying to solve some great world problem in its totality was a traditional Marxist goal.

[122] Food rationing was reintroduced in 1988 for the first time after WWII. Also, economic experts such as Leonid Ablakin started complaining in 1988 that the performance of the economy was worse than that during the Brezhnev period of stagnation (Crozier 1990:48).

Gorbachev's nomination as the next Soviet leader in 1985 caught no one by surprise (Shakibi 2010: Nelson and Kuzes, 2003: 490; Boldin, 1994). Acting as a 'second secretary' to Yuri Andropov, and as the heir apparent to Konstantin Chernenko, he was the rising star in Soviet politics in the post-Brezhnev era. Gorbachev initiated the succession procedure merely two hours after Chernenko's death and before his potential opponents could arrive in Moscow. The ceremony went relatively smoothly with Andrei Gromyko, the oldest member present at the meeting, nominating Gorbachev as the next general secretary (see Volkogonov 1998: 435-7).

Upon assuming leadership, Gorbachev focused upon personnel changes. In the first year alone, he managed to replace 47 of the 121 regional secretaries and more than half of the CPSU Central Committee (March 2006: 47). The long-standing director of Gosplan and most of the ministers were replaced. The Politburo membership was also changed significantly: Boris Yeltsin replaced Viktor Grishin, and Yegor Ligachev was promoted as the 'second secretary' (Sakwa 1990: 83). (In time, both these newcomers would contest Gorbachev's perestroika, each from a different ideological position.) The changes were staggering in the sense that no other Soviet leader had managed such personnel turnarounds in such a short period, (Brown, 1996: 109), but this was a case of pouring old wine into new bottles. The *manner of change* is the more interesting aspect as it was quite unorthodox. Media criticism about corrupt practices of certain appointees preceded their dismissals (see *New York Times*, March 24, 1985; Bialer 1986:121). Unlike his predecessors, Gorbachev put some effort into creating an impression that he was acting in accordance with 'public opinion'.

The 'media revolution' was another particularity of Gorbachev's initial effort. The press used an inflated language to promote Gorbachev's appointment as 'historical', and almost everything said by Gorbachev during the first year was published in book form (Volkogonov, 1998), but this was nothing more than a socialist system working through inertia. From the very beginning, however, Gorbachev utilised the propaganda machinery quite effectively and in a novel way. Images of his appearance among the people flooded the Soviet TV stations in 1985; such themes would continue to predominate the media agenda throughout the nineteen eighties (Mickiewicz 1988; Deluca, 1998). The intention here was for Gorbachev to become 'a living presence in Soviet homes' (Muraka 1988: 192). Aleksandar Yakovlev, who came to learn about the power of TV politics while in Canada and the US, was entrusted with this task.

This media revolution had two strategic aims: First, to make the Soviet people more receptive to the ideas of perestroika. In Gorbachev's words, 'The press, TV and radio are an effective means for organising and educating the masses, for *shaping public opinion'* (Gorbachev [1985] 1987:29). Secondly, to create a personal bond between Gorbachev and the Soviet citizens, or, as Lewin would put this, to promote his indispensability in making or breaking the reformist effort (1988: 171)[123]. Thus, these first signs of public politics were accompanied by schemes of social engineering and revival of the cult of personality.

Economic development was another area where Gorbachev wanted to leave a mark immediately. 'The main question now is: how and with what resources will the country be able to accelerate socio-economic development?' (Gorbachev 1986 [April 1985]: 14). The rhetoric of radical economic changes was present from the beginning.[124] The concrete reform initiatives here, however, followed a rather familiar pattern. Radical change was not about cuts in 'non-productive' spending. 'We should not touch money allocated to defence and we should continue our support for third world countries', argued Gorbachev (cited in Volkogonov, 1998: 494). Instead, 'radical change' was about more spending in some rather popular branches amongst communist reformers: welfare programs and heavy industry .

> In most industries, scientific and technological progress is taking place at a sluggish pace, in fact, evolutionally…There should be revolutionary changes, a transfer to fundamentally new technological systems, to technologies of the latest generation which ensure the highest efficiency. (Gorbachev 1986: 16-7)

In numbers: 200 billion roubles went into the modernisation of heavy industry (Zubok, 2009: 299). The investments in heavy industry were coupled with a series of regulatory policies. 'We should launch an all-out war on wasteful practices and exercise the strictest thrift' (Gorbachev 1987[1986]: 551). Gazpriemka, a new regulatory commission, was created for exactly such a task (March 2006). Gorbachev also turned to regulating the shadow economy: 'We should fulfil the mandate to step up the war on unearned incomes'[125] , he argued Gorbachev 1986: 563).. Of all these regulatory policies that Gorbachev pursued initially, the anti-alcohol campaign (see Appendix C) lasted the longest and had the most devastating impact upon the economy.

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[123] '[T]he expectations concerning the media's role in the future created a politically fragile Gorbo-centric view of the issues that focused upon his role in making or breaking the reform effort.'

[124] At a party congress in February 1986, Gorbachev announced that 'now the situation is such that it is impossible to simply limit our measures to partial improvements – what is needed is a radical reform' (80).

[125] 'Unearned income' was vaguely defined as being money obtained from 'embezzlement, bribery, speculation, extortion, and so forth' (Pei 1994: 119). Everything that was not a direct product of one's own labour could have been placed into such a category.

The expectations from those regulatory policies were high. Volkogonov details Gorbachev's passionate view on quality-control programs and the grand hopes he was putting in them (1998:465; see also, Hewett 1985; Gorbachev 1986: 24). Economic growth targets were doubled once Gorbachev's team took over the planning role – they were symbolically set at 10%.

Sakwa describes Gorbachev's initial economic reforms as being 'grand and ultimately meaningless programs' based upon 'widely exaggerated hopes for improvement in output and productivity' (2002: 8-9). The problems with Gorbachev's approach were evident even in 1985, and even from afar. 'Barring incredibly good performance in 1986, it is likely that by 1987 Gorbachev shall have to admit that the major FYPXII goals are unattainable', wrote Hewett (1985: 22). This prediction turned out to be fairly accurate, save for the fact that Gorbachev turned the problem of unattainable goals into a narrative of bureaucratic disobedience.

In mid-1986, Gorbachev altered his approach.[126]His focus had shifted from promoting policies of socio-economic development to exposing obstacles to development. The new reformist narrative was something along the following lines: no policy measure can be effective under the old mentality (Gorbachev 1987: 61-4). Reform now was to be based upon profound 'psychological restructuring' (see Sakwa 1990: 10), and 'glasnost', declared Gorbachev, 'is the starting point for a psychological restructuring of our cadres' (Sakwa 1990: 66).

At a first glance, glasnost seemed to be a logical extension of the effort to improve administrative efficiency through propaganda, and it was in line with the traditional role ascribed to the media by the Soviet leaders (see, for instance, Lenin's *About the Press*).

> The main task of the press is to help the nation understand and assimilate the ideas of restructuring, to mobilise the masses to struggle for successful implementation of party plans ... We need ... glasnost, criticism, and self-criticism in order to implement major changes in all spheres of social life. (Gorbachev, quoted in Gross, 1987: 74)

The shift that occurred in mid-1986 was more profound. 'Truth is the main thing' and 'people should know what is good and what is bad': these were the new reformist criteria. Public criticism of the bureaucracy was the other novelty introduced here. The widespread media campaign against the bureaucracy started in early-1986, before the 27th Party Congress.

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[126] Gorbachev gave the first hint that he was about to make a U-turn, at the 27th Conference, He would argue there that 'Any restructuring of economic mechanism…begins with a restructuring of consciousness' (in Breslauer, 2002: 54).

Literaturnaya gazeta led the charge; *Izvestia* and *Pravda* then followed. The mid-level state bureaucrats were targeted here. They were, according to the media, sabotaging the reformist efforts and attempting to 'dull the vigilance of higher organs and organisations' (see Gibbs 1999: 30-35). It was no secret that Gorbachev was behind the campaign. After the 27th Party Congress, Gorbachev gathered the key media editors in order to issue the following instructions: 'The main enemy is bureaucratism and the press must castigate it without backing off' (cited in Gibbs, 1999: 37). One specific target stood out: Gosplan.[127] 'In July 1986, at a Politburo meeting, Gosplan was branded an enemy of all innovation and organisation trying to shape the economy in its own image…', claim Ellman and Kontorovich (1998: 113).

As the war on bureaucracy replaced the war on the lack of discipline, the responsibility for that false restart of the economy was passed down: the flaw of those regulatory policies was not in their design but in their implementation. More importantly perhaps, as those new, more abstract measures of 'truth' and 'good' and 'bad' were introduced, the (false) restart of the Soviet economy became less important. In fact, the economy as a category became less important. Perestroika was now promoted as being a revolutionary change. As the person in charge would state, perestroika is a revolutionary process and '*politics* is undoubtedly the most important thing in any revolutionary process' (Gorbachev 1987: 54; emphasis mine).

Comparatively speaking, 'the great leap forward' (Gorbachev referred to his quality-control programs as being a great leap forward) quickly turned into a 'cultural revolution'. Gorbachev himself was not unaware of the parallels here between his own approach and that of Mao, but he insisted that his public campaign against the bureaucracy had nothing to do with Mao. He claimed, 'I do not want to be understood as if I am issuing calls, in the way that was carried out during the Cultural Revolution in China, to open fire on the headquarters' (cited in Wheatcroft, 1987: 86). He was right in a way – this 'cultural revolution' was more pacifistic, more tolerant of diversity,[128] and, initially, did not target the Party elites. In terms of strategy, however, it was much the same: failed economic plans giving way to slogans and mass political campaigns.

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[127] Gosplan was the central government organization; it was in charge of planning the production and prices of more than 10.000 products for mass consumption. Gorbachev clashed with Gosplan even before he became the general secretary. Once in power, he would only intensify his efforts to curtail the power of this organisation (see Ellman and Kantorovich 1998).

[128] Gorbachev would state in 1987:'We proceed from the premise that socialism is a society of growing diversity in people's opinions, relationships and activities. Each person has his own social experience, his own level of knowledge and education, his own special way of perceiving what is happening…we are in favour of diversity in public opinion, of richness in spiritual life' (Gorbachev 1987b : 9).

A few critical observations on Gorbachev's pre-1987 reform initiatives

> …it is crucial to understand the basic point about Gorbachev's great power in 1985-86. Otherwise, one would grossly exaggerate the ability of the conservative opposition to resist change, which Gorbachev's minions were emphasising at the time to deflect criticism from him and to explain the decisions he was not taking.
>
> – Jerry Hough, a noted pluralist (1997: 64)

Gorbachev's initial policy decisions did more than just set out the terrain for the subsequent radical reforms; instead, the connection between them and the post-1987 changes was more organic. I will attempt to substantiate such reasoning below.

First, the policies of the 'accelerating socio-economic development' program were *politically consequential*. While everyone, with the help of the party media, understood that Gorbachev was a radical reformer, most people did not make the fine distinction between Gorbachev's initial effort to consolidate his power and his subsequent exercise of that power. As such, the successes and failures of these initial reform initiatives shaped elite and public outlooks on perestroika and, by extension, on Gorbachev's performance as a leader. And, as it turned out, the impact of those measures upon the Soviet economy was too obvious and too extreme to be ignored in the political arena.

In numbers: Gospryomka would lead to a 15 to 20 per cent decline in industrial output (Medvedev and Chiesa 1989: 53). The anti-alcohol campaign would lead to a 20 to 30 per cent decline in state revenue. The budget deficit tripled in a year once this policy was enacted (Kotz and Wier 2007: 78-79). Sugar shortages, which in turn would lead to popular protests, were another by-product of the anti-alcohol campaign.

No less importantly, these initial regulatory policies were terminated or forgotten after a year or so. This created certain expectations – in a way, it led to the erosion of the importance of rules in social interactions. 'Old rules could be ignored since they were officially revoked and new ones need not be followed because it was expected soon to be changed and forgotten', as Elman and Kantorovich note here (1998:190).

Next, Gorbachev's later reform decisions *were contingent* upon those initial decisions. Whereas, for instance, in China it was easy for Deng to label the reform programs enacted by his predecessor as being 'poor policy choices' and to overturn them, the situation was more complex in Gorbachev's case. It is easy to recognise and criticise the mistakes of others, but difficult to place one's own mistakes in a similar frame. Gorbachev would stubbornly refuse to withdraw his support for the anti-alcohol campaign or to admit that improving the quality of products and seeking output growth were contradictory goals.

Next, the frames and ideas of Gorbachev's perestroika can only be understood with reference to those initial reform decisions. The over-emphasis on cadre change, the war on bureaucracy, in general, and against Gosplan and the Ministries, in particular, were the reoccurring themes of perestroika. An absence of economic measures that could have been interpreted as unpopular or contrary to what Gorbachev called the commitment of the 'socialist idea' was another critical parameter of perestroika. Such actions and non-actions in some way reveal the underlying reasoning behind Gorbachev's perestroika. If the deformations of socialism were caused by individual transgressions of political figures such as Brezhnev and Stalin and/or some unfavourable externalities such as the war destruction, a hostile international community, and the death of Lenin (as opposed to those deformations being a symptom of the system itself) [129], then reform was a matter of revisiting missed opportunities (e,g. turning to the old utopian ideas such as 'democratic planning') and removing few bad apples.

Lastly, the pre-1987 policies were neither an extension of the traditional system in place nor a mere reflection of predominant elite preferences. Two details should be noted here. First, as some former members of Gosplan claim: 'the key ideas of the acceleration [of socio-economic development] program were definitely born outside Gosplan' (Ellman and Kontorovich 1998: 94). The former members of the Soviet state bureaucracy detail how Gorbachev and his team took control of the planning processes and altered the targets and focus of the annual and five-year plans. Secondly, those regulatory policies occurred despite the objections within Gorbachev's team. For instance, Ryzhkov opposed the anti-alcohol campaign from the very beginning, but Gorbachev would choose to ignore his prime minister on this issue (see Levin 1999: 86; Ryzhkov 1995: 94-96; White 1996: 69; see Appendix C for more on Gorbachev's eagerness to impose such an extreme regulatory policy while ignoring the recommendations of his subordinates).

It is also important to note here that Gorbachev did not encounter the Soviet systemic problems for the first time in 1985. Andropov entrusted the analysis of the situation with the economy to Gorbachev and Nikolai Ryzhkov in 1982 (Medvedev 1998: 95). Gorbachev was also entrusted with cadre appointees, and his power and responsibilities would only increase under Chernenko. Inexperience, or insufficient power, therefore, were *not* factors in shaping Gorbachev's policy decisions. Instead, this was the best answer that the new general secretary had to offer concerning socio-economic development.

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[129] 'The new general secretary believed that removing Brezhnev's corrupt cronies and inefficient bureaucrats would make the Soviet system run well', notes (Zubok, 2009: 279).

It is true that Gorbachev's emphasis upon 'control', heavy industry development (or ignoring the service industry), and 'criticism 'and 'self-criticism' were in line with what his predecessors were doing. It was Stalin's idea that 'technology in the period of reconstruction decides everything' (cited in Bailes, 1978: 160). Using administrative excess for improving economic performance was also a popular method among Gorbachev's predecessors. 'More' is the key term here. Gorbachev brought more spending on heavy industry, more regulations, more involvement of the party committees in the work of the government, and more propaganda. 'More' is not innovative, but leadership, as mentioned elsewhere in this research, is about *deviation* rather than innovation. Such policies occurred against the backdrop of the negative outcomes of past similar efforts. The fact is that 'Andropov's policy measure to enforce discipline and a work ethic among blue collar workers and the white-collar class quickly degenerated into farce' (Zubok, 2007: 277), and Gorbachev failed to pick up the right cues.

If the fetishism for heavy industry and administrative excess brought on by Gorbachev's acceleration of the socio-economic development program seemed like yesterday's solutions for present-day problems, then the return to the humanistic side of Marxism and the commitment to what Gorbachev called the 'socialist idea' (see Freidin, 1991) was an unexpected turn from elite trends and expectations**.**

By the time Gorbachev became the general secretary, the average elite members considered the official ideology, as noted by some analysts, as being a ritual external to their mindset; they were more pragmatic and more open to the prospect of market reforms (see Kotz and Weir, 2007; also Boldin 1994). One prominent member of the Soviet elites explains why the idea of market reforms gathered momentum: 'In the 1970s and 1980s, it was clear that under capitalism they [the party elites] themselves would be in command'. He also clarifies the type of capitalism that the Soviet elites were preferring: 'our' capitalism, that is, '*nomenklatura* capitalism' (Gaidar cited in Nelson and Kuzes 1998). Arguably, not everyone amongst the Soviet elites was obsessed with the idea of '*nomenklatura* capitalism'. Some seemed genuinely concerned with solving the issues of stagnation, apathy and wastefulness in the economy.

Nonetheless, they were aware of the magnitude of the challenge ahead. As Andropov would note:

> We have not yet properly studied the society in which we live and work and have not fully disclosed its inherent laws, especially its economic laws. Therefore, we are sometimes compelled to act empirically, so to speak, *using the highly irrational trial-and-error method*. (cited in Daniels 1993: 90, emphasis added).

Given that Gorbachev was Andropov's protégé, it was *expected* of him to proceed in such a direction, to adopt a trial-and-error approach (or, as his neighbour would put it, 'to seek truth from facts'). He did not do that. Instead, as detailed in the next section, he went for bridging the gap between the ideals of Marxism-Leninism ('the socialist idea' in his terminology) and the real polity.

6.4 The design of reforms

Gorbachev and the shift in policy paradigms

Gorbachev's discourse on reforms was about denouncing the customs and practices established by his predecessors Brezhnev and Stalin, reaffirming the ideals of Marxism and Leninism, and trying to separate rather sharply one from the other. As such, the shift in 'policy paradigms'[130] under his guidance took the form of debreznevitisation, destalinisation, and deleninisation. Each is considered in turn.

As a reformist principle, debreznevitisation was more useful than radical. In the absence of some unmitigated disaster akin to the Cultural Revolution in China, Gorbachev needed to put some fragment of the recent past into a negative frame in order to justify the cadre changes and to give his perestroika an identity as a progressive and discontinuous process (see Sakwa, 1990: 83-85). As he could not criticise Andropov or Chernenko, he turned to Brezhnev.

Gorbachev 'declared the Brezhnev years to be "an era of stagnation", and this discourse became the overwhelmingly dominant conceptualisation of the almost two decades during which Brezhnev oversaw the Soviet state' (Bacon, 2002: 1).[131] In terms of policy principles, Brezhnev gave up on attempts at grandiose social engineering and propounded stability rather than change (Sakwa, 1990: 82). Gorbachev brought back grandiose schemes of social engineering (e.g., using propaganda in order to make the people more receptive to the ideas of perestroika and solving the problem with the alcohol culture through a decree) and put to rest Brezhnev's principles of stability and 'cadre stability'. It is worth noting here that Brezhnev was committed to developing welfare programs and increasing social justice. In this respect, Gorbachev was an heir to Brezhnev.

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[130] As a reminder, according to Hall, policy paradigms refer to 'a framework of ideas and standards that specifies [policy goals]. . . but also the very nature of the problems that [need to be addressed]' (1993:279).

[131] The discourse of two decades of stagnation was an exaggeration given that Brezhnev's first five-year plan (1965-1970) brought about a period of unprecedented growth.

Destalinisation was the key normative cog in perestroika's wheel. Stalin was a key figure for Gorbachev's perestroika in the sense that 'Gorbachev insisted that it was Stalin who had deformed the Revolution rather than there being any intrinsic fault in the initial project' (Sakwa, 1990: 123; see also Gorbachev, 1987). Stalin quashed any pretence that the Soviet regime would function on more democratic terms during the 1930s. Terror politics, secrecy over party and state affairs, and travesty of justice were the trademarks of Stalinism**.** These elements would lose some of their potency after Stalin, although they did not die out completely (For a comprehensive overview of Stalin's impact upon the Soviet system, see Shemelev and Popov 1989.)

The principle of 'openness' in public affairs was one evident disjuncture from Stalinism, as was the premise that building socialism and promoting democracy were not contradictory but interdependent tasks (Gorbachev 1987). Gorbachev also targeted Stalin's legacy in a more direct manner. Under the slogan 'communists always and under all circumstances want the truth', Gorbachev had opened up the discussion of Stalin's crimes. Destalinisation also had some more subtle, but equally important, components. Contrary to Stalin, no one feared Gorbachev in the political arena. The new general secretary's refusal to play the role of a strongman confused some and even agitated others (see Volkogonov 1998).

Stalin also introduced a particular set of economic institutions. Gorbachev's destalinisation did not extend to them. In his own words:

> Collectivisation was a great historic act, the most important social change since 1917. Yes, it proceeded painfully, not without serious excesses and blunders. But further progress of our country would have been impossible without it. (1987: 16)

Deleninisation was the third, the most peculiar, and, perhaps, the most important discontinuous element in perestroika. Gorbachev's attitude towards Lenin was more complex and less antagonistic than his attitude towards Breznhev and Stalin. Nominally, Gorbachev's perestroika was envisioned as being a continuation of what Lenin had in mind. 'After all, the dialectics applied by Lenin in solving problems is the key to solving present day-problems', he argued (Gorbachev, cited in Volkoganov, 1998: 443). 'In politics and ideology, we are seeking to revive the living spirit of Leninism' (Gorbachev, 1987: 66). 'Perestroika is the revival of creative Marxism, a new awareness of Leninist ideas…perestroika is transferring them to the category of being real, because they were often merely proclaimed in the past' (Gorbachev, cited in Lenczowski, 1991: 4).

It can be said that Gorbachev's attempt to align his reforms with Leninism was a matter of necessity. Denouncing the practices of his predecessors and, at the same time, giving legitimacy to such actions and promoting the idea that the Soviet system was worth saving was not something that Gorbachev could have done without having Lenin in his corner. However, this relationship was not purely instrumental. As several authors have noted, Gorbachev was Lenin's devotee (Shakibi 2010; Volkogonov 1998; Boldin 1994: 96'; see also, Gorbachev 1995). Even today, it is difficult to find an interview with Gorbachev in which he does not quote Lenin.

Gorbachev, however, departed from Leninism in two or three different ways. First, Lenin's notion that 'democracy is a category proper only to the political sphere' (cited in Sakwa, 1990: 156) was decisively rejected by Gorbachev. Gorbachev instead promoted the idea of 'democratic socialism as an instrument for developing the economy'. Weber's distinction between the 'ethics of responsibility' and the 'ethics of intention' is useful in identifying the second divergence between Gorbachev and Lenin. According to Weber, political conduct, whether explicitly or implicitly, is framed around the following dilemma: a) 'Whether the intrinsic value of ethical conduct is sufficient for its justification; or b) whether the responsibility for predictable consequences of the action is to be taken into consideration' (Weber, 1949: 16). As usual, Weber discusses 'ideal types'. Nonetheless, his 'ethics of responsibility' and 'ethics of intention' accurately capture one point of divergence between Lenin and Gorbachev.

For Lenin, the nature of the means was irrelevant. During the First World War, he would ally himself with the Germans while trying to bring down the Czarist state (see Volkogonov, 1998: 17-24). Moments later, he would resort to political brutality for the sake of creating a more humanistic order; and, eventually, he would accept capitalist means – self-interest, private capital and foreign investments – in order to bring about an anti-capitalist order (see NEP). Gorbachev denounced such approaches to policy and political matters. As Sakwa notes, ‘Perestroika represented the end of teleology and a disjuncture in that the present is recognised to be the “end”, so to speak; thus the means to achieve a satisfactory “non end” in the present becomes more important than the “end” itself’ (Sakwa, 1990: 115; emphasis added).

The unilateral moratorium on nuclear testing in 1985, the 1986 anti-alcohol campaign (here Gorbachev ignored the obvious economic costs), his decision not to endorse private property after 1989 (here Gorbachev ignored the obvious political costs): each of these acts substantiates Sakwa’s assessment. Gorbachev applied such principles not just to reforms but to politics as well. He refused, for instance, to completely strip Yeltsin of his powers in 1987, despite the calls from the Party to do so and despite Yeltsin’s insubordination (see Shakibi 2010: 253-54). Gorbachev’s commitment to non-violence and his refusal to abandon the democratic frames during 1989 and afterwards are also exemplary of his rejection of *Realpolitik*.

Gorbachev’s final departure from Leninism concerns the role and function of law or legality. Although both Lenin and Gorbachev were trained in law, they saw the subject through opposite lenses. As far as Lenin was concerned, legality was something akin to religion: an opiate for the masses (Sakwa 1990: 127). Accordingly, legalism (or the rule of law) was categorised by Lenin as being a ‘bourgeois tool’ and until 1985 – that is to say, until Gorbachev came to power – little had changed on this front in the Soviet Union (Sakwa 1990: 127). Contrary to Lenin, Gorbachev placed law at the centre of his reforms: ‘Law and legality… are the working instruments in the restructuring and a reliable guarantee of it being irreversible’ (1987: 110).

Before Gorbachev, action legitimacy derived primarily from theory, and the Party was in charge of theory matters. Furthermore, the judicial and legislative organisations were under firm Party control. More importantly, the idea that law and legality should function independently of the Party was alien to the socialist system. Bluntly stated, *the Party was the law*. To say, however, that *rule by law* was the defining feature of the Soviet polity would be to miss the point of the communist experiment and, by extension, to misplace the disjuncture brought about by Gorbachev’s perestroika. It is more accurate to say that, within the socialist system, law was a *marginal* category, expected to at some point in favour of habit (see Lenin’s *The State and Revolution* 383-84). Thus, by ascribing *centrality* to law and legality, Gorbachev moved the communist project into some unfamiliar territory.[132]

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[132] Gorbachev’s emphasis upon the importance of law and legality was not radical. His intention ‘to begin with the head’ (Shakibi, 2010: 246) – that is to say, the idea of establishing a legal framework which would exist independently and above the Party – was unprecedented, however.

A few additional peculiarities of Gorbachev's policy approach deserve a mention here. As discussed in the previous chapter, Deng had altered the relationship between ideology and policy in China. Gorbachev did not move in a similar direction. Instead, he tried to replace one set of overriding principles with another. Gorbachev (1987: 49-54) would claim that perestroika was a revolutionary process and that *theory and politics are the most important components in revolutionary processes*. Under this interpretive schema, there was no need for some Chinese-style feasibility studies before enacting policies on a national level. No less problematic, the policy co-ordination issue went unrecognised here. As noted in the previous chapter, the Chinese reformers were concerned not only with 'How this policy matches that problem?' but also with 'How compatible is this policy with the other emerging rules? No less than six organisations were tasked with dealing with such questions under Deng. Securing policy complementarity was of little concern for the Soviet reformers under Gorbachev. The Law on State Enterprises was supposed to provide that co-ordinating structure for the other reformist policies (Gorbachev 1987). However, the Law itself was an assembly of articles contradicting one another (Hatch 1996: 290). Furthermore, the Law was pompously announced and, as with many other policies of perestroika, lasted for about a year before being terminated. With reference to such realities**,** we can say that Gorbachev's effort towards institutional redesign was of lower quality than that of Deng.

Gorbachev, therefore, had bought about a shift in policy paradigms by replacing the principles and practices established by Brezhnev, Stalin and Lenin with their opposites. Here it must be added that, unlike Deng, Gorbachev did not try to change the relationship between ideology and policy – the basic metapolicy framework, whereby policy was guided by a set of overriding, ideologically appealing principles, remained intact. Nonetheless, Gorbachev proposed changing something equally essential: the relationship between the Party and the legal system.

In the next section, we turn from the principles to the actual policies of perestroika.

From principles to policies

> Glasnost, democratisation, self-government in the workplace …and respect for human individuality, the scope and spirit of the emerging reforms is almost too broad to be believed, but it also is too insistent to be dismissed as rhetoric or window dressing…
>
> Lewin (1988: 119-120)

The disconnect between words and deeds within Gorbachev's perestroika was often great. Sakwa sees perestroika as being the 'last Soviet mass campaign' and considers it as being something closer to an ideology of reform rather than actual reform (1990: 123).

Such an assessment seems quite harsh and possibly misplaced if Gorbachev's perestroika is assessed on *its own terms*. Gorbachev's core initiatives were about legality, transparency in public affairs, a liberalisation of political discourse, a democratisation of the state-owned enterprises' decision-making structures, and they were substantiated with a set of concrete policy measures, known as *glasnost* and *democratizacija*.

The policies of glasnost

The policies of glasnost are usually examined in terms of their political function (i.e., how they helped Gorbachev 'find safety in numbers' by broadening political participation) or in terms of their (unintended) consequences (i.e., how they had opened up a pathway for opposition and alternatives to one-party rule). Furthermore, glasnost is often seen as being a principle or improvisation as opposed to a concrete set of policies. Brzezinski, for instance, claims that: 'not only did glasnost come before perestroika, but also more debate about reform took place than actual implementation of reform' (1989).[133]

In contrast to such interpretations, the pages below consider glasnost as being a concrete and decisive action that sought and brought about certain transformations to the Soviet system in accordance with the underlying principles of perestroika.

First, by promoting 'public politics' alongside, and in a way as an antidote to, 'bureaucratic politics', glasnost transformed the Soviet political arena. During 1989, the struggles in the political arena were televised for the first time. People had an opportunity to see who their leaders were, what they were doing, and what the contentious issues of Soviet politics were. Before glasnost, such information was strictly controlled by the Party and was used exclusively for propaganda purposes.

It empowered the intellectuals and particularly the radical intellectuals: 'The new policy of glasnost permitted this hidden civil society to break out into the open and rapidly develop.

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[133] The informal character of some of the policies of glasnost gives a certain appeal to such viewpoints perhaps. For instance, media liberalisation occurred under glasnost through replacing the editors-in-chief (See Pei, 1994: 180-183). There was no transformation of the ownership structures of the mass media.

Soviet history, economics, politics, and culture suddenly were opened to an increasingly free examination and debate' write Kotz and Weir (2007: 62; see also Brown, 1995: 89). A 'liberal takeover' of the mass media was allowed and encouraged under glasnost. The role of the Soviet intellectuals extended further than that of the media; they became key actors in the reconstructed soviets. 'The intellectuals made their influence felt not only through the mass media, and as advisors to the government, but… in the electoral campaigns and new legislative institutions that developed beginning in 1989' (Kotz and Weir, 2007: 69). Never before (and never after glasnost either) were the intellectuals allowed to play such a prominent role in Soviet/ Russian politics.

It is important to note that glasnost did more than merely give voice to those who were alienated or disenfranchised from the socialist system. The impact of glasnost on the political arena, simply stated, was transformative. For instance, once glasnost was set in motion, Brezhnev's speechwriters Arbatov, Chernyaev and Shakhnazarov would turn into strong advocates of a strong civil society (Zubok, 2007: 214). Some media editors appointed by the conservative faction would also become 'enlightened' and promote some more liberal or radical worldviews.

Next, glasnost radically altered the perceptions of Soviet history by opening the communist past for re-examination. In this department, glasnost was more than the lifting of censorship, but instead a series of active measures. In October 1987, a Politburo commission for dealing with Stalin's crimes during the 1930s and 1940s was established (Sakwa 1990: 96). Destalinisation turned into a slow Nurnberg trial (ibid: 101). Many of the Stalinist victims (e.g., Trotsky and Bukharin) were posthumously rehabilitated, and many of the political prisoners were released (see Sakwa, 1990: 96-98). The physical traces of Stalin and his accomplices were eradicated from public spaces. The impact of these measures upon the perceptions of communist history was abrupt and instantaneous. As Strayer notes, 'So widely and quickly had Soviet historical understanding been transformed that authorities cancelled the 1988 school examinations in history for lack of adequate textbooks on which exams could be based' (1998: 100).

Glasnost also introduced a third party to the policy processes – investigative journalists and public opinion. A dangerous precedent was created here, in the sense that assessing the feasibility of the policies of change was equated with public support. We will return to this aspect of glasnost in Chapter 7.

In summary, the policies of glasnost were about transforming the standards of information/communication, and about bringing a certain transparency to public affairs; they operated as much inside the Party as in society (see Sakwa, 1990); and they were as equally about the past as they were about the present.

The policies of democratizacija

If glasnost was about transforming the standards of communication and information, then the policies of *democratizacija* were about devising new answers to questions such as 'Who decides?' and 'How?' The key policy initiatives were 1) democratisation *of the decision-making processes within the economic enterprises* 2) the *democratisation of state-society relations*, and 3) *constitutionalisation of politics*. Each of these initiatives is considered in turn.

The Law on State Enterprises, enacted in 1987 and in effect from January 1988, was the master policy of Gorbachev's administrative reforms. As Gorbachev stated: 'All reorganisation of the central apparatus and its functions…will be strictly matched against the Law on the State Enterprise' (1987: 89). The crux of this policy was the following: state enterprise workers were empowered to elect their managers and to actively participate in the decision-making processes (see Kotz and Weir, 2007: 75-80). This approach was supposed to address the two alleged major culprits of the enterprises' underperformance: 'the worker's alienation problem' and the 'hierarchy problem'. It should be noted here that this policy was not about granting financial independence to state-owned enterprises but primarily about democratising the relations between the workers and the enterprise managers. Namely, the Law tried to tackle the problem of enterprise inefficiency by providing a new answer to the political question: 'Who decides?' For this reason, it is considered here as being part of *democratizacija*.

The strengthening of the representative institutions was another defining feature of *democratizacija*. During the 1987-88 period, several mechanisms were introduced with the aim of transforming the soviets into a key legislative body. In theory, this initiative was in accordance with the Soviet Constitution. In reality, this effort, aimed at bringing the Leninist principle 'all power to the soviets' to life, presented a fundamental change. Before this policy, the soviets functioned as rubberstamp organisations, present to create some impression of legitimacy for the decisions made from above (see Katz and Weir 2007). This practice was not a peculiarity of the Soviet system but a standard procedure across the communist world. In

China, for instance, the National People’s Congress (the Chinese equivalent to the soviets) had a similar function.

The judicial reforms were another transformative component of *democratizacija*. Before Gorbachev, the efforts to strengthen judicial bodies and depoliticise the judicial processes amounted to little more than statements of intention. ‘The party remained the ultimate judge of what was legal and tolerated, in the name of the defence of higher interests of the socialist state and the working class’ (Sakwa, 1990: 128). After 1988, courts were granted independence from the Party-controlled Ministry of Justice (Smith 1996: 75). The role of defence lawyers in the legal process was transformed, the Vyshinsky approach to justice was discarded, and the ‘telephone law’ was abolished (Sakwa 1990: 132).

A constitutionalisation of politics was another dimension of *democratizacija*. According to Stalin, the Soviet Constitution was nothing but a record of achievements and victories of the communists over their enemies. It was not to serve as the template for political action. [134] Stalin’s’ interpretation here was nothing short of accurate. ‘The Soviet regime was pseudo-constitutional because it ignored the real balance of power in society and in particular the leading role of the Communist Party’, notes Sakwa (1996: 54). One constitutional article contradicting another was nothing unusual; this inconsistency, however, did not disrupt the normal flow of politics. The constitution, stated bluntly, was not taken too seriously by political actors. Again, this fact was not a peculiarity of the Soviet system – all across the communist world, the constitution was a poor referent of the actual polity (a notable exception to this rule would be Yugoslavia after the death of Tito).

Both the content and the function of the Soviet Constitution were radically altered during 1988-1989. With the constitutional amendments of 1988, the individual, rather than the collective or the abstract interests of the class, was placed at the centre (Sakwa, 1990: 129). More importantly, as Sakwa notes, the function of the constitution changes from declaratory to explanatory. The exact mechanism of this transformation is less apparent (Gorbachev’s personal commitment to such a change should be noted here). It is apparent, post-1988, that for the first time, citing the constitution became a valid political strategy in the political arena.

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[134] ‘A Constitution’, argued Stalin, ‘must speak of that which already exists, of that which has already been achieved and been won now, at the present time. A programme deals mainly with the future, a constitution with the present’ (1953:688).

Most political struggles during and after 1989 would revolve around the constitutional amendments (e.g., the struggle over Article 6).

How Gorbachev related to the policies of change is considered below.

His discourse of debreznevitisation, destalinisation and legality provided the basis (i.e., legitimacy and guidelines) for the reformist policies. Next, as a general secretary, all major policy decisions required his signature. One additional mechanism deserves particular attention: namely, his political conduct. Gorbachev was committed to respecting the standards he was trying to impose (a tolerance for different opinions and commitment to solving political conflicts without the threat of violence) even when it was politically inexpensive and expected of him to resort to old practices. His unorthodox conduct, in conjunction with the traditional respect and obedience that his title as the general secretary of the CPSU attracted, made these new standards a reality of Soviet politics almost instantaneously.

Despite the absence of some serious efforts to democratise inner-Party structures,[135] the policies of glasnost and *democratizacija* were primarily about the Party. By stripping the CPSU of its control over the legislative and executive bodies, and from its monopoly over the truth, the policies had transformed the CPSU from being an extraordinary political organisation into something more ordinary.

This curtailment of the CPSU powers was not matched by a corresponding increase in the powers of the government. Instead, the Law on State Enterprises and a set of other practices and policies marginalised the role of Gosplan and the Ministries. Where did all this power go to? As public politics were introduced alongside bureaucratic politics, some of it went to non-state actors. Most of it, however, went to Gorbachev himself.

How the policies and principles of perestroika enhanced Gorbachev's decision-making capacity

Emphasising legality and ascribing more legal powers to himself: this was Gorbachev's strategy for boosting his own decision-making capacity. Over the course of perestroika, to his titles of General Secretary of the Communist Party and Commander-in-Chief of the Armed Forces, he would also add titles such as President of the Supreme Soviet and Head of the

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[135] Multiple candidate elections for lower-level party positions were introduced in 1987, and the tenure for official functions was limited for the first time in 1987 (see Desai, 1989: 68). The internal party structures, however, changed little under such measures (Sakwa, 1990).

Constitutional Commission at the Congress of People's Deputies. In this way, he secured legal independence from the Politburo, the ability to sign all laws into effect, to rule by decree and to personally appoint (or dismiss) key party, army and government officials (see Sakwa, 1990: 160-65).

Gorbachev accumulated power; he did not abuse it in the conventional sense. On his watch and on his initiative, the soviets were democratised and the mass media were liberalised.[136] Freeing those organisations from CPSU control, however, gives us only half of the story. Gorbachev was the formal leader of the reconstructed soviets and had the power to appoint or fire media editors. Thus, in order to be precise about the transformation of power taking place here, we could say that perestroika replaced the 'dictatorship of the proletariat' (i.e., the Party dictatorship) with a 'personal dictatorship'; or, as it is often stated more mildly, the party-led perestroika became the presidential perestroika.

This new arrangement worked for everyone. The conservatives, instinctively, were not opposed to the prospect of an (over) concentration of formal power. The liberals, aware of Gorbachev's pro-liberal inclinations, did not want to oppose such an accumulation of personal power. The Party liberals were not intimidated by Gorbachev but rather by the possibility of him being replaced by someone with fewer democratic tendencies. As one of the 'new thinkers' would state: 'I too could criticise Gorbachev but I won't, because to undermine him would be fatal. It would help his enemies' (cited in Sakwa 1990: 167). Shevardnadze would issue a similar warning: 'If perestroika fails, dictatorship is possible' (Kaiser, 1991).

As was the case with Deng, Gorbachev's indispensability derived from both the radical nature of the initiatives and specific alterations to the rules of the game. Despite their different ways of achieving this essentiality,[137] the immediate effect was similar. As the prospect of losing Deng's leadership was terrifying for the liberal faction of the CCP (before 1988), so also the prospect of losing Gorbachev's leadership was alarming for the liberals within the CPSU.

The more relevant point for the moment is that a limited decision-making capacity was *not* an issue for Gorbachev's perestroika.

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[136] The formal structures of the mass media remained intact during perestroika; what changed was the profile of the media editors and the content of information published.

[137] While Deng created conditions for his indispensability by compartmentalising formal powers and positioning himself outside the formal polity, Gorbachev moved in the opposite direction.

The problems with the solutions: the internal contradictions of perestroika

> We are conducting all our reforms in accordance with the socialist choice. We are looking within socialism, rather than outside it, for the answers to all questions that arise.
>
> Gorbachev (1987: 36)

> If the absence of socialism is caused not by technical but by ontological reasons, if it does not exist simply because it cannot exist, then its introduction will lead only to the destruction of what already does exist.
>
> Alain Besancon (cited in Sakwa 1990: 61)

Gorbachev’s perestroika did not challenge the principles of egalitarianism; it reiterated the Party’s commitment to full employment and developing the welfare system. Making the worker the true master of the means of production and making the state more accountable to society (the two key themes of perestroika) were in accordance with Marxism and the Soviet Constitution. Nevertheless, such initiatives were far from playing it safe.

Broadly speaking, there are two well-known mechanisms for organising the economy: hierarchy (i.e. the administrative method) and the market (i.e. the economic method). The first was predominant in socialist systems, and the latter in capitalist systems. Evidently, Gorbachev’s perestroika challenged the existing administrative method. Gosplan, which was the institutional embodiment of the administrative method, was targeted by the policies of perestroika. That said, market mechanisms such as competition and entrepreneurship were conspicuously absent from perestroika, both in its abstract and concrete parts. Instead, Gorbachev promoted the idea that ‘Socialism and public ownership on which it is based hold out virtually unlimited possibilities for progressive economic processes’ (1987: 83**).** Some analysts suggest that it is permissible to take Gorbachev’s claim on this issue at face value. ‘The key premise of perestroika as the socialist system with respect to economic processes has not exhausted its positive potential and remains a viable alternative to capitalism’, writes Sakwa (1990; see also Breusler, 2002: 82). ‘He wanted to restructure “everything” without touching the socialist foundation of state ownership’, argues Volkogonov (1998: 434).

In sum, Gorbachev's notion of socialist democracy as 'an instrument for the development of the economy' was not just a euphemism for market reforms but an *alternative* to both the administrative method and the market method.[138]

Undoubtedly, this idea of democratic planning was floating around, and it was in line with Marxism-Leninism. But the absence of positive examples with democratic planning across the communist world suggests that the idea was not feasible [139] Much the same problem reoccurs with the second precept of perestroika, creating a socialist legal state or one-party pluralism. Was the 'legal socialist state' something feasible? If so, why had no other communist regime tried this?

Both the democratic planning method and the socialist legal state were *miraculous* solutions to some real, enduring problems. Hence, some of the internal problems of perestroika were ontological.

The logical problems of perestroika went as follows. From one perspective, perestroika was, or turned into, a mass campaign with the goal of making people embrace communism again; it was about reaffirming the 'socialist choice made in 1918'– to borrow Gorbachev's terminology.[140] The rationale was that once the doubt that the Soviet state represented the will of the people was removed, the other pieces of the puzzle would fell into place. State financial resources were instrumentalised for such purposes – they were used in order to enhance public morale and support for perestroika. The problem with this was twofold: one, this politicising of the economic processes occurred against the backdrop of a prolonged period of sluggish economic performance, and two, by criticising Brezhnev's era as being a period of stagnation, Gorbachev created both the impression that the current living standards were unacceptable and the *expectation* that they would quickly rise under perestroika.

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[138] In his June 25, 1987, speech Gorbachev spoke about 'a changeover from an excessively centralised, command system of management to a democratic one' (1987b: 9).

[139] Experiments with 'workers' self-management' were nothing new in the communist world–Yugoslavia and Hungary implemented such reforms during the nineteen sixties. Such experiments, however, were more about introducing market mechanisms in disguise. Namely, 'self-management' policies were usually pursued in conjunction with 'hard budget constraints', tax reforms, price liberalisation reforms, and retracting on the commitment to full employment. None of these measures were part of perestroika. Instead, perestroika was an effort to make the worker 'the true owner of the economy' (Gorbachev, 1987: 83) driven by the expectation that this would bring economic growth.

[140] '...Our people made a choice in October of 1917, and despite the deformations of socialism and its Leninist concept which have taken place in the past, we will firmly go along this path', Gorbachev stated (in Lenczowski 1990).

Restoring faith in the ideas of socialism was married to the (self-imposed) goal of ending the Brezhnev era of stagnation; however, ending the Brezhnev era of stagnation was improbable due to the politicising of the economic processes. Stated differently, the success of perestroika, on its own terms, was unlikely.

6.5 The political dynamics of change: from discontinuity to political crisis

In the political arena, Gorbachev's policies were challenged from two directions. Whatever he did was interpreted as being a 'loss of ideals' by some and as a 'half- measure' by others (see Sakwa, 1990: 166; Brausler, 2002). This is an unavoidable predicament for any reformer. Two factors were changing the complexity of the Soviet political situation. Here there was no binding factor akin to the Cultural Revolution in China. Thus, antagonisms among different elite factions began surfacing rather early. Unlike Deng, who had no immediate followers nor friends in politics, and thus had almost unlimited coalition-building potential in the political arena, Gorbachev was firmly associated with the 'new thinkers'. In the political arena, he was able to rely on the constant support from Aleksander Yakovlev, Eduard Shevardnadze, Raisa Gorbachev, and Anatoly Chernyaev. The Prime Minister, Nikolai Ryzhkov, can be added here. (He was not part of the 'new thinkers'; nonetheless, unlike some of the 'new thinkers', he remained loyal to Gorbachev until the end.)

The radical faction (i.e., those who saw Gorbachev's initiatives as being half-measures) posed the following challenge for Gorbachev's perestroika: Why separate Stalin's crimes from Lenin's crimes? Why separate the transgressions of officeholders from the system itself? If glasnost is about honest and open discussion, then why should the policies of perestroika be exempt from it? Basically, the radical faction wanted to stretch the frames and trends created by the policies of *glasnost* and *democratizacija* in order to challenge one-party rule. Initially, this faction was indistinguishable from the 'new thinkers', and before 1989, it acted without strong institutional support. Nonetheless, the power of this faction would only grow over the course of perestroika, it would gain institutional basis after 1989, and eclipse perestroika eventually. Yeltsin, who fell out of favour in 1987, but made a comeback into the political mainstream with the support of the popular vote in 1989, would establish himself as the leader of this pro-capitalist faction.

A few words about Boris Yeltsin. The progressive elements of the Party and society dubbed Yeltsin a populist demagogue (March 2006: 3; also see, Gorbachev 1995). Such a qualification came, it must be noted, before he posed a real threat to perestroika and while he was still campaigning against the privileges of the *nomenklatura*. It seems that he rarely failed to justify such a characterisation (see for instance, Kotz and Wier, 2007: 127).[141]

Regarding the conservative faction and its opposition to perestroika, the following must be taken into account. Most party hardliners – for example, Romanov, Tikhonov and Grishin – were side-lined once Gorbachev took over the leadership (Daniels 1993: 13). The gap was occupied by actors who agreed that change in the Soviet system was necessary but did not agree with some of the directions of perestroika (e.g. the public criticism of the state bureaucracy).

The conservatives' challenge to perestroika was simple: reform should be about 'creative destruction' whereas Gorbachev's perestroika was only about destruction.[142] Unlike the radicals, the conservatives suffered from a chronic inability to formulate a clear alternative to Gorbachev's perestroika (Sakwa, 1990). They would, therefore, play a minor role in the political conflicts that took place in 1989 and afterwards.

Yegor Ligachev, the second in command within the Party, established himself as the unofficial leader of the conservative faction. First, he opposed the 1986 media campaign against bureaucratisation by qualifying it as 'vilifying the bureaucracy for sensations [sic] sake'; later, during the XIX Party Conference in 1988, he defended the Brezhnev era as being an era of building socialism (see Feidin 1991). Considering his institutional position, Ligachev's dissatisfaction with the reformist directions was understandable. Officially, he was in charge of ideology; in reality, he was side-lined on such matters. He also headed the party Secretariat (an organisation with strong bureaucratic linkages and in charge of day-to-day matters); thus, he was more sensitive about Gorbachev's anti-bureaucratic campaigns.

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[141] Before 1987, Yeltsin would campaign against the excessive privileges of the 'nomenklatura' and pursue with vigour the anti-alcohol campaign while himself being a noted alcohol abuser and a member of that nomenklatura. In the new system (post 1991), with the promise to make everyone a true owner, he would allow for an excessive accumulation of wealth in the hands of his friends and family.

[142] 'Without having created anything new we hastened to destroy the old', argued Ligachev (1993: 275). Others were under the same impression. 'In the five years to date, more has been broken and dismantled than has been built' noted Mutalibov (cited in Hahn, 2002: 187). Some foreign analysts came to the same conclusion. 'It almost seems as if there is a perverse "Gorbachev's law": If it ain't broke, it soon will be', wrote Goldman (1990; see also Sakwa 1990).

While discussing the political opposition to perestroika, we should keep in perspective the fact that perestroika was also a mass campaign, and mass campaigns, always and everywhere, *need* enemies. Therefore, whether and to what extent this ‘double challenge’ to perestroika was manufactured for its own purposes is not entirely clear. Yeltsin had the following answer on this issue:

> In this real-life production, the parts have been well cast, as in a well-directed play. There is the conservative Ligachev, who plays the villain; there is Yeltsin, the bully-boy, the mad cap radical; and the wise, omniscient hero is Gorbachev himself. (1989: 202)

Perhaps Yeltsin overstates the case here. It remains that Gorbachev was able to fend off political challenges coming from the left and the right with relative ease, until 1989. In November 1987, for instance, Yeltsin launched a tirade against perestroika and the ‘Moscow mafia’. In response, Gorbachev labelled Yeltsin ‘politically illiterate’. After this, Yeltsin was demoted (see Volkogonov, 1998: 505-506; also Sakwa, 1990: 365). This was interpreted by the conservatives as being a sign that their star was in the ascendant (Sakwa, 1990: 119). Nina Andreyeva’s letter, published in *Sovetskaya Rossiya* in March 1988, summarised the conservative disagreement with the directions of perestroika (see Deluca, 1998: 30-36). This was just an occasion for another political triumph against the anti-perestroika forces. *Pravda* rebuked the article, Ligachev (thought to be behind the article) was demoted to agricultural minister, and the party secretariat – an organisation headed by Ligachev– was deactivated (Hahn 2002: 79; see Ligachev1993: 109-110).

Gorbachev could afford such overreactions**.** According to an opinion poll published in *Izvestia* in May 1987, over 90% of Soviet citizens supported perestroika, whereas only 0.6% opposed it.[143] His within-party support was also strong. In 1988, Gorbachev managed to replace more than one-third of the articles of the ‘Brezhnev’ Constitution: The Central Committee passed the new amendments with 1,344 votes to 5 (Sakwa 1990).

Perestroika also started strongly in 1989. In March, the first (semi) free elections for the USSR Congress of People’s Deputies were held**.** Of the newly-selected candidates for the Supreme Soviet, 87% came from the Communist Party. This was an anomaly in the sense that only 73% of the members of the old Supreme Soviet were affiliated with the CPSU (Sakwa 1990: 138). The implications of this anomaly seemed clear: if granted an opportunity, people will vote for, rather than against, the CPSU. At least, that was the initial impression. The elections were understood as being a referendum in favour of perestroika (Sakwa 1990: 140).

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[143] The validity of those numbers can be questioned on account that the Soviet mass media were an industry in the service of making the General Secretary look good; however, Gorbachev’s era has been thoroughly examined by social scientists and it is difficult to find an account that disputes Gorbachev’s public support at that moment.

Perestroika seemed to have succeeded in replacing the general apathy with enthusiasm and in restoring public trust in the party leadership**,** and there was also a certain sense of triumphalism among the reformers. 'People are starting to learn the basis of Marxism all over again', claimed Yakovlev in 1989 (cited in Sakwa 1990: 120). Gorbachev was under a similar impression: 'Trust in party policies and support for them are increasing during the course of perestroika' (cited in Sakwa, 1990: 184; see also *Izvestia* May 5, 1987**).**

This impression would be extremely short lived. By the end of 1989, some members of the transformed legislative organs used the destalinisation campaign and their newly found institutional powers in order to pass a resolution which condemned the Molotov-Ribbentrop Pact (for more on this pact, see Koenker and Bachman, 1997: 629-633). With this, the territorial integrity of the Soviet Union was no longer a certainty. In 1990, events took a turn for the worse for perestroika in the political arena. In brief, after securing his position as Chairman of the Russian Republic Supreme Soviet on June 12, 1990, Yeltsin revoked his party membership and challenged the party leadership from outside. He would not be alone in this venture. On the same date, the Russian Supreme Soviet declared sovereignty as well as the supremacy of Russian law (Aslund, 2003: 75). With this move, Russia, in effect, became a sovereign state. Yeltsin called for the other republics_'to grab as much sovereignty as possible'; his appeal was welcomed from Lithuania to Chechnya.[144] In the meantime, a Russian Ministry of Foreign Affairs was formed in order to challenge the ancient regime in the international arena (McFaul 2001: 207). Yeltsin's platform for gaining international support was simple: to endorse everything that the western powers would not dare to ask in order to lure the existent western support from Gorbachev and his perestroika. Yeltsin pledged allegiance to neoliberal market capitalism, support for NATO expansion, and also promised that Russia would take over the credit obligation once the Soviet Union was replaced (ibid: 205). Such offers were too tempting to be simply ignored by the West.

Yeltsin's challenge to perestroika was in accordance with the Soviet Constitution and with Gorbachev's call for recognizing the Constitution as being fundamental to the rules of the game. To complicate matters yet further, Yeltsin, unlike Gorbachev, had a true popular mandate. He was an elected official. Lastly, he was vastly more popular than Gorbachev among the people. 'By late 1990, Yeltsin's popularity rating was four to five times higher than that of Gorbachev' (Shlapentokh and O'Donnell 1993: 177). It is important to note here that Yeltsin did not appeal to the people by proposing something radically different from what Gorbachev had proposed; the case was quite the opposite. Yeltsin acquired public support by campaigning for social justice and against the excessive privileges of the elites. In essence, Gorbachev was trying to address those same issues. The gap in popularity between the two actors came, most probably, from the public perception that Yeltsin was more *competent* than Gorbachev.

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[144] Although Chechnya was not a republic, it also tried to exploit the window of opportunity in order to acquire sovereignty.

The risk of someone exploiting the reformist policies and turning them against the initially-envisioned reformist program is probably unavoidable with ambitious state projects such as perestroika. However, the situation is rarely as hopeless as it was in Gorbachev's case. Whereas for instance in China, Deng was able to turn to those *beneficiaries* of the reformist policies in order to defeat the alternatives to his state project, Gorbachev had nowhere to turn. For various reasons, no one saw themselves as winners with the new arrangements brought about by perestroika. It is true that the Law on State Enterprises appealed to the state enterprise workers; but those workers were also consumers, and, from this perspective, their situation only became worse under perestroika. 'The first effects of perestroika for the Soviet consumer were less choice and fewer goods', as Sakwa (1990: 270) notes. Although the intellectuals had benefitted greatly from perestroika, (naturally) they preferred systemic change over perestroika. Next, the party elites had little reason to support the 'democratic socialism' direction – it was a threat to their political power and material privileges (Sakwa, 1990: 178; see also Kotz and Wier, 2007). Lastly, the state bureaucrats were marginalised, condemned as being pro-status-quo agents, and disenfranchised from Gorbachev's project. In sum, these were *reforms without winners*. Conversely, there was an emerging consensus that an alternative to Gorbachev's perestroika was necessary.

Gorbachev would not fight this tide resolutely. Instead, he would take his 'fight to the foreign arena' – this, according to Blondel (1987), is what leaders usually do when the domestic realities become unbearable.

While the subsequent events and processes are historically important, examining the post-1990 critical juncture is beyond the parameters of this research. After 1990, the processes of change in the Soviet Union were no longer transformational but transitional (i.e., they had a clear landing site). Moreover, they were shaped not because of, but despite, Gorbachev's formal leadership, which, amidst such circumstances, was mostly comprised of random acts, such as the erratic issuing of presidential decrees and changes of top officials (see Kotz and Wier 2007).

Before concluding this chapter, let me turn once again to the performance of the policies of perestroika and explain what trends they dictated and how those trends delegitimised perestroika and marginalised Gorbachev in the political arena.

6.6 How the performance of the policies of perestroika have shaped Gorbachev's political struggles and their outcomes

> We have fewer goods than planned and twice the additional money. What happens in this case?
>
> Vasily Selyunin (cited in Goldman, 1990)
>
> The result [of perestroika] is nil.
>
> Boris Yeltsin (1989)

Initially, Gorbachev could claim popular legitimacy and strong Party support. By 1988, most Party and government officials were his appointees. He also enjoyed extraordinary institutional support (his formal powers, as discussed, expanded greatly under the principles and policies of glasnost and democraizacija); and, lastly, he enjoyed strong international support.

After 1988, those policies of accelerating the socio-economic development program became due, and this would change Gorbachev's political fortunes.

The anti-alcohol campaign (1986-1990) decreased state revenues by 14%. The losses were estimated to be at 10 billion roubles in tax revenue per year (Kotz and Weir, 2007: 75). The policy distorted more than the state finances. In 1989, the Soviet Union had to import a third of its sugar, two-fifths of its potatoes, and 35 million tons of grain (Sakwa 1990: 286). While this decline in productivity is not reducible to the anti-alcohol campaign, the strong causal linkages between the two have been noted (see, for instance, Ellman and Kontorovich, 1998). The quality control policy resulted in a 20% decrease of industrial output due to products being stuck in warehouses, while, at the same time, a new army of regulators was created (Sakwa 1990). The impact of the *Law on Unearned Income* (in effect from May 1986) was both qualitative and quantitative. This policy allowed a crackdown on all profit-oriented activities that were not explicitly permitted by law. The target here was the 'shadow economy' (Pei, 1994: 120; Sakwa, 1990).

To understand the consequences, one can consider that by diffusing the potential tension between the public demand for certain goods and services and the state's inability to satisfy them, the 'second economy' performed a *practical* function in the Soviet system. As Strayer notes, 'most Soviet consumers came to depend on the black market, or "second economy", which expanded greatly in the 1970s' (1998: 57). Moreover, its size was nothing to dismiss. According to some estimates, it accounted for 20% of the real GDP (Sakwa 1990). It is also important that this economy functioned upon *the principle of supply and demand*; namely, this was the realm where the market forces and the Soviet entrepreneurs were to be found. Why would Gorbachev enact such a policy and ignore the apparent casualties? The answer to this is simple: perestroika operated on *overriding* principles, of which legality was a central one.

Such policies, as some argue, came before Gorbachev 'had freed his mind' (i.e., before 1987) and before he was able to secure his independence from the Party apparatus. The *Law on State Enterprises* had no such context and yet this policy had the same effect as those mentioned above. The dynamics created by the master policy of perestroika was the following*:* eager to win elections, enterprise managers granted unrealistic wage increases (Average wages rose by 8% in 1988 and 13% in 1989 (Goldman 1991: 141-142). This rise in wages led to an increase in consumption, which in turn led to shortages in staples and added to the inflationary pressures (see Kotz and Weir, 2007: 77-79; Strayer, 1998: 116). It is true that, by granting unrealistic wages, state-enterprise managers were behaving irresponsibly here, but under the Law of State enterprises, they were incentivised to do so.[145] *No such incentives existed under the old system.*[146]

The statistical figures mentioned above should be taken with a pinch of salt, which leads us to the next point.

'Cooking the numbers' to cover up their economic blunders was a popular sport among the Soviet political leaders, and Gorbachev was no stranger to this practice (see Ellman and

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[145] 'The result was a rather paradoxical situation in which the directors of enterprises were effectively freed from the control of the state bureaucracy, but did not come under the control of either a real owner or the market. The temptation to act in a populist and/or criminal manner in these circumstances was extraordinarily strong', write Mau and Starodubrovskaya (2001 : 235).

[146] The point here is that the policies of perestroika had their own (internal logic) frames, and there was a certain consistency in terms of their impact upon the economic processes: it was unintended and overwhelmingly negative.

Kontorovich 1998). After 1988, however, cloaking the economic trends was no longer possible – not because of glasnost but because of everyday life. Basic products were missing from the shop shelves, and food rationing was reintroduced in many regions for the first time after WWII (Mau and Starodubrovskaya, 2001: 144). The situation was particularly dire in major cities such as Leningrad and Moscow. Cracks soon began appearing in the form of social protests. There were miners' strikes in July 1989 due to soap shortages (Kotz and Weir, 2007: 134), tobacco riots in Leningrad, and liquor riots in other cities (for more on this, see Moscoff, 1993).

In response to these negative economic trends, the Politburo issued the following statement in 1989:

> The situation which evolved was the result of mistakes, red tape and an irresponsible attitude… by the leaders of ministries, departments and enterprises, the permanent organs of the USSR Council of Ministries and the USSR State Planning Commission. (Moskoff, 1993: 63)

Gorbachev had used this blame-the-state-bureaucracy card once before. On this occasion, however, the public would connect the dots along different lines. The overall impression among Soviet citizens was that changes were indeed taking place – the constant personnel changes and the revolutionary rhetoric had created such an impression. Those changes were perceived as being a product of perestroika; at the same time, 'all understood that Gorbachev *is* perestroika' (Chernayev, cited in McFaul, 2002: 45). For these reasons, it was impossible for Gorbachev to disassociate himself from the rapidly deteriorating economic situation.

The linkages between the policies of perestroika and the negative economic trends were too apparent to be avoided in public debates. Even Leonid Albakin, a respected scholar and a friend of perestroika, would attack perestroika for failing to end the so-called Brezhnev-era of stagnation and for its plans to run counter to economic logic (Sakwa 1990: 303). Some would act more opportunistically here, however: Yeltsin would use the economic situation as a platform to claim the following: '70 years of socialism had failed in its basic task, of feeding and clothing the population' (cited in Sakwa, 1990: 291).

The economic realities played an important role in delegitimising perestroika, as has been noted by several authors. 'The economy was the Achilles heel of perestroika', and 'economic decline discredited the claims about ideology' argues Malia (2008:492-493). 'Gorbachev's inability to brag of any positive economic results was disastrous for his standing in the country', writes Kaiser (1991: 171). 'The economic chaos that emerged in 1988-1989 caused the leadership standing to take a nose dive' (Kotz and Weir, 2007: 129). While the unfavourable economic trends were important, we must look further in order to identify the actual the predicament for Gorbachev's perestroika.

It is not that the economic policies of perestroika failed to bring some tangible benefits to the average Soviet citizen; instead, it is that the reality moved in an opposite direction from the *expectation* that Gorbachev had created. Not only did the promised improvement of living standards not happen, but life under perestroika became harder for the majority of the Soviet people (Sakwa, 1990: 360). Furthermore, Gorbachev claimed in his book *Perestroika* that problems with housing, feeding, and clothing were solved for good in the Soviet Union (1987: 41). Undoing this achievement posed a major legitimacy problem. This discrepancy between promise and performance acted as a delegitimising factor for perestroika, and, since perestroika was Gorbachev, for Gorbachev's leadership as well. Beyond the economic decline and the gap between promise and performance, there was populism. The killer blow for Gorbachev's perestroika was, arguably, populism.

Given that a populist challenge to established power is something alien to socialist systems – a set of institutional mechanisms were there to prevent such scenario – the claim above requires some explanation. The policies of perestroika, as well as Gorbachev's commitments to certain standards of political conduct, had transformed the Soviet political arena. However inefficient in their role as a key legislative organ, the new soviets had more in common with western parliaments than with the old soviets. The party leadership's behaviour gave little reason to classify the regime as authoritarian, still less totalitarian. The mass media no longer served only as mouthpieces for the ruling elite. Short of having democratically elected leaders, many features of democratic politics had arrived in the Soviet Union during the 1986-89 period. Populism, under certain conditions, thrives in democratic settings. As Canovan (1999: 12) puts it, 'populism exploits this gap between promise and performance in democracy'. It was a rather big gap here. Yeltsin, a figure who Gorbachev would eventually blame for the collapse of the Soviet Union (see Gorbachev, 1995), exploited that gap most effectively.[147]

Post-1988, it was increasingly likely that the loss of trust in Gorbachev's leadership, the institutional dysfunctionality, and the socio-economic realities –inflation, an economy where barter relations gained prominence, mass hoarding and other elements of generalised de-solidarization – were going to bring more profound changes than Gorbachev and his reformers had envisioned. Amidst such expectations, the party elites were not in favour of having democracy before the market. As the Mayor of Moscow, Gavril Popov, would put this in an article, aptly named the *Dangers of Democracy:* 'Now we must create a society with. . . private property. . . denationalization, privatization,... This will be a society of economic inequality' (*The New York Review of Books,* 1990: 27-28). Evidence suggests that Popov was speaking here on behalf of the majority of the party elites (see, for instance, Kotz and Wier 2007: 121-123;)

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[147] Gorbachev would give us the following account of Yeltsin: '… he was simply an opportunist. He could say one thing in the morning, during the day another, and in the evening, yet another. "Why did you allow Yeltsin to take power?'' I still hear. Yes, for this mistake that cost the country dear, I hold direct responsibility' (in Shakibi, 2010: 254).

On this issue, it was apparent that the party elites could not count on Gorbachev's support. During the 1989-90 period, despite the dire state of the economy, Gorbachev persisted with his anti-market position. 'I know but one thing. In two weeks this "market" would draw all the people into the streets and sweep away any government, however much it might vow fidelity to its people,' he argued (*Pravda* 6 November 1989). Speaking on national television in November 1989, Gorbachev would bring similar claims: 'I do not think the working class will support those authors who want to start making our society capitalist…No matter what you do with me, I am not going to forsake this position' (cited in Kotz and Weir 2007: 83). A year later (1990), contrary to the advice of the economic experts, he would reaffirm such a position. 'They want to take a gamble. Let everything be thrown open tomorrow. Let market conditions be put in place everywhere. Let's have free enterprise and give the green light to all forms of ownership, private ownership . . . I cannot support such ideas' (cited in Kotz and Weir, 2007: 84). [148]

The fact that elite preferences for market reforms (or privatisation of the commons) were not in line with the will of the ordinary people was also apparent. Across the Soviet Union, public support for capitalism was tested extensively during 1989-1990. The results were unambiguous: public support for capitalism was dismal, ranging from 10% to 20 %. (Kotz and Weir 2007: 133). Securing greater social justice was still the number one public priority at that point (see Mason and Sydorenko, 1992). It can be said that such values were too entrenched because of the longevity and the strength of the Soviet welfare state, but such an explanation seems too static. We can also point here to the fact that Gorbachev promoted increasing 'social justice' and welfare spending programs as being progressive and attainable goals.

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[148] Gorbachev stood on the same side of the fence with the public on this issue. The people however no longer saw him as being eligible to lead the Soviet Union.

Thus, although there was a broad consensus that Gorbachev was no longer eligible to act as the key decision maker, on the themes of socialist democracy and capitalism the people and the political elites had opposing preferences. With Yeltsin, there was a solution to this situation on the horizon.

Yeltsin had a popular mandate**,** and, unlike Gorbachev, he was at the same time prepared to act as an agent of the pro-capitalist party faction (see Kotz and Weir, 2007; 5-6; Nelson and Kuzes, 2004). 'Aware about public sentiments, he and his closest associates never used the word "capitalism" in public' (Kotz and Weir, 2007: 132). He continued instead to campaign against the party *nomenklatura* and the dictatorial tendencies of Gorbachev. Gorbachev and Ryzhkov would point out to the public that Yeltsin's popular appeal was misleading and insincere, but, at that point, few were prepared to listen to or trust what Gorbachev and his associates had to say (ibid). I do not wish to mislabel Yeltsin as being a populist figure – in the aftermath of the Soviet Union, Yeltsin was anything but populist. On this occasion, however, by hiding his support for privatisation of the commons and exploiting the democratic frames by saying what the public wanted to hear, he played the populist card.

Gorbachev had little to hold onto here except his formal powers. Formal power on its own, as we saw in China during the post-Mao succession struggle, is a hollow prospect. Here, as in China, the Cultural Revolution was followed by a capitalist revolution**.** The difference is that in China the state had brought the market remedies for the economy proactively and *on its own terms***.** In Russia, the process of marketisation, after Gorbachev's perestroika was defeated, would occur in an almost Hobbesian world and on terms determined by the international creditors, who were indispensable in preventing the total collapse of the new Russian state**.** The dramatic difference in economic performance between the two countries under the market-oriented policies **(**for data on this, see March 2006**)** suggests that such contextual differences mattered greatly.

What happened to the values and ideas of perestroika under the new institutional order? On the one hand, such a question seems misguided, given that Gorbachev's perestroika was about transforming the old system. On the other hand, the question is relevant, because the values of perestroika were, nominally speaking, more compatible with the new democratic order than with the system in which they had occurred initially. Moreover, according to Gorbachev, the achievements of perestroika were numerous and fundamental :

> What specifically did we accomplish as a result of the stormy years of perestroika? The foundations of the totalitarian system were eliminated. Profound democratic changes were begun. Free general elections were held for the first time, allowing real choice. Freedom of the press and a multiparty system were guaranteed. Representative bodies of government were established, and the first steps toward a separation of powers were taken. Human rights (previously in our country these were only "so-called," reference to them invariably made only in scornful quotation marks) now became an unassailable principle. And freedom of conscience was also established. (Gorbachev 2000: 57-8)

A short digression is in order here. In 1985, Gorbachev initiated an ambitious welfare project: 'Housing-2000'. Under Yeltsin's rule, the housing project continued in the following manner: every year the Russian state would give around 2,000 apartments (ranging in value from a quarter of a million to a million US dollars) and 14,000 dachas to state officials – for free (Aslund, 2007: 133-134). In this post-Soviet political order, the intellectuals would be increasingly marginalised– according to Kotz and Weir (2007), intellectuals were the greatest losers of the new arrangements.The emerging 'rule of law' would be spontaneously replaced by a set of predatory relationships after the collapse of the Soviet Union. The media space would become more homogenised than under perestroika. The mass media returned to their pre-perestroika roles: as mouthpieces for the ruling elites. The mechanisms at play here were subtler than in the old system, however. People had no money to buy newspapers; newspapers were in turn dependent upon state subsidies for their survival and therefore unable to act independently (Haugh et al. 1996: 68). The state-owned TV, on the other hand, was free and widely accessible and would continue to have a key impact upon public opinion. Lastly, the representative institutions created during perestroika would be decisively defeated in 1993 through extra-legal and extra-constitutional means and, probably, electoral fraud (see Kotz and Wier, 2007: 203-7). Gavril Popov, who once wrote an article on the perils of democracy, would describe the changes taking place in Russia under Yeltsin as follows:

> Everything we see now, we remember from our past. It was a fundamental feature of the Soviet system to merge, to fuse together, executive power and representative power. . . . Before our eyes is now appearing the prospect of a regime in which bureaucrats, without the help of the CPSU and without a 'front' of Communist slogans, will hold all the power. (cited in Nelson and Kuzes, 1995: 74)

Why this new order was not that different from the old one is an amalgamation of many factors. The more relevant research point is that the defeat of perestroika was total; its only lasting institutional legacy was the creation of a strong presidency.

6.7 Considering the alternative lenses: how Gorbachev's conduct is typically related to the political/ institutional constraints

The previous pages have investigated the coherence and cohesiveness of the policies of change through the prism of leadership. This section considers and challenges some typical ways in which Gorbachev is disassociated from the design of reforms. The interest group inspired literature on the Soviet reforms makes two explicit claims about Gorbachev's leadership: first, that the Soviet reformers led by Gorbachev were inspired by the Chinese reforms, and second, that Gorbachev's political reforms were in the service of opening the space for market reforms. The first claim is about unrealised intentions and the second is about necessary action. Arguments coming from this camp usually take the following form:

> The Chinese reforms were in fact the major conceptual model guiding the Soviet reforms during the early years of perestroika. The problem was that gradualism in the EEFSU context simply did not produce a dynamic flow of workers from the peasantry into industry, a la China, but instead produced an explosive growth of state enterprise wages and fiscal deficits, which combined to sink the economies in monetary instability. (Sachs 1995:11)

Gorbachev, in the post hoc analysis, adds to such voices. 'In fact, we actually started the Chinese way' he would claim in 2001. The accumulation of data over time on the Gorbachev era reforms did not affect the appeal of such claims**.** 'Contrary to conventional wisdom, Soviet analysts actively sought to learn from China's experience', writes Miller (2016). As evidence, the author brings the following:

> The legislation [the Law on State Enterprises] modified Soviet enterprises in three ways, each of which mirrored China's policy. First, the law transferred control over enterprises from the state to workers. Now, at least in theory, workers were empowered to elect management as well as a work council. (Miller 2016: 95)

To my understanding**,** conventional wisdom says that politicising the dynamics of the firm by empowering workers to elect their managers is not a particularly sound economic policy. It may lead, to use Sachs' phrase in a novel way, to the 'explosive growth of state enterprise wages'. More importantly, the *fact* is that the Chinese reformers under Deng did not try to implement such reforms. The problem with the claim that 'Gorbachev tried or wanted to emulate Deng's economic policies' is greater than 'cherry-picking' the data; instead, this is a case where the key evidence brought in support is fictious (the Chinese workers self-management policy), and the actual evidence directly contradicts the conclusion (that Gorbachev tried to implement Chinese style reforms).

The claim that Gorbachev wanted to follow the ‘Chinese way’ can be taken to mean that he wanted to implement market reforms, to implement reforms gradually, or both. As the issue as to whether Gorbachev wanted to emulate Deng along those parameters is addressed elsewhere in this research thoroughly and is of secondary importance for the purposes here, let us move on to the next issue.

The instrumentalism argument – i.e. the notion that Gorbachev reached towards political reforms in order to open up space for market reforms – is no less problematic. The argument rests in part upon the premise that the Soviet elites or bureaucrats on the aggregate level were opposed to and afraid of market reforms. With this, the instrumentalism arguments run into the endogeneity problem**.** It is indisputable that the Soviet state bureaucracy showed a certain antagonism towards Gorbachev’s perestroika. However, we cannot know with any degree of certainty whether that bureaucratic opposition was deliberate, i.e. inspired by the anti-market sentiments of those actors. This is so because Gorbachev’s policies contained a set of other parameters: inconsistency across policy goals, vagueness as well as frequent, arbitrary and unannounced shifts in policies. Each of those factors was bound to yield opposition among bureaucratic actors. [149] Ignoring these features of the policies of perestroika and ascribing an analytical priority to the supposed anti-market preference of bureaucratic actors seems purely arbitrary.

The second premise of the instrumentalism argument is that Gorbachev was the prime supporter of market reforms. The evidence brought in support of this usually goes as follows:

> **…**at the Twenty-Seventh Party Congress in early 1986 the one speaker to use the term 'socialist market' was Gorbachev's client and old Stavropol colleague, Vsevolod Murakhovsky … It can be taken for granted that in so doing he was acting with Gorbachev's full knowledge and as a stalking-horse for him. Gorbachev could not yet employ a term still unacceptable to the Politburo as a whole when his use of it would imply an official commitment by the Soviet leadership to marketisation. (Brown 1996: 349)

This narrative that Gorbachev was covert but ardent supporter of market reforms from the beginning seems is challenged by the fact that Gorbachev’s initial interventions in the economy were decisively anti-market. This problem is conveniently solved in the following manner: ‘The first concrete economic measure was introduced as early as May 1985 and, curiously enough, neither Gorbachev nor Ryzhkov were the prime movers…’, claims Brown (1996: 141). In other words, Brown suggests that the most extreme and most consequential policy (from an economic perspective) occurs despite Gorbachev, rather than because of him. Such an assertion is decisively disconfirmed by the publicly available evidence on how this policy was brought about. The anti-alcohol campaign occurred despite the opposition from the usual culprits (the ministries and Gosplan) and because of Gorbachev’s zealotry (see Appendix B). Granted, weak evidence and unfounded assertions do not necessarily mean that the premise itself (that Gorbachev supported market reforms but was afraid of the powerful pro status quo actors) is wrong.

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[149] ‘The potential consequences of poor design’ as Hewett notes ‘early in the implementation stage, may create sufficient chaos to force a retrenchment’ (1988 : 23-25).

Market forces existed in the Soviet Union, whether in the form of ideas advanced by ‘policy entrepreneurs’,[150] actual economic realities (the second or ‘shadow economy’), historical legacies (Lenin and Bukharin’s NEP) or as evident solutions to pressing economic problems. Conversely, Gorbachev had to interact with those market elements. Let us consider for a moment some crucial points of those interactions and make some inferences.

The ‘market’ is not an end, something that has an intrinsic value (not in socialist systems, at least), but a *means* aimed at modifying the behaviour of economic actors in order to increase efficiency and productivity. In socialist systems, its natural alternatives are administrative excess and propaganda. Gorbachev was a fan of the latter two methods. As noted in this chapter, Gorbachev’s initial steps were comprised of a set of regulatory policies and intensive media presence.[151] Next, increasing ‘social justice’ and adding vitality to the national economy are contradictory tasks – the so-called ‘equality vs efficiency trade off’ (see Hewitt 1988). Gorbachev was a fan of social justice – the slogan ‘increase social justice’ was ever-present in his speeches (1986a; 1986b, 1987). He matched words with deeds on this issue. ‘Housing 2000’, for instance, was one of the most ambitious projects promoted at the 27th Party Congress in 1986. Another way in which Gorbachev related negatively to market reforms was 'non-action'. A key element of market reforms are the price liberalisation reforms. Granted, in socialist systems, price liberalisation reforms are problematic as they tend to produce inflation, hoarding and, eventually, social unrest (Kornai 1992). However, this does not mean that pursuing such policies is without any merits. In socialist systems, allowing the buyer and seller to determine the price of a given product carries that benefit in that it takes some of the burden from the central planners. Gorbachev was not a fan of price reforms of that type. 'Price reforms' in Gorbachev's vocabulary were about optimisation of prices via administrative interventions - something altogether different than price liberalisation reforms (see Gorbachev 1986; 1987). Furthermore, as noted in this chapter, he was consistent in vetoing and postponing price liberalisation reforms. This was not an isolated incident. Gorbachev had a similar attitude towards the proposal for abandoning the Soviet state commitment to full employment.

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[150] Nikolai Shmelev, echoed the Chinese reformers by arguing that "whatever is efficient is moral and whatever is moral is efficient." Similarly, Oleg Bogomolov argued that "Socialism is first of all about economic growth". Shmelev promoted the idea that allowing unemployment can be beneficial for the Soviet economy. On how Gorbachev responded to that idea, see Pravda, 22 June 1987; also, Gorbachev 1987; Aganbegyan, 1989: 94

[151] *One of the fundamental targets in the plan is a dramatic increase in the amount of work and the quality of work out of the entire labour force. The "stick" that will contribute to that is clear in the various components of the discipline campaign; but the "carrot," also important, is not easy to find*. (Hewett & Winston 1991: 18).

It is not that Gorbachev was actively opposing market reforms; instead, he operated, as any other real actor, within a world of finite resources and moves. His dedication to developing social justice, fondness for administrative excess and propaganda and commitment towards making his reforms popular made him a lax supporter of market reforms.

The instrumentalism argument harbours another implausible idea: i.e., that political reforms in the Soviet context could have somehow aided market reforms. Here we have a mechanistic application of the idea that 'democracy promotes market' and inattentiveness to how Gorbachev's political reforms actually interacted with the market reforms**.** In reality, the political reforms of perestroika (e.g., the transformation of the soviets) were a hindrance to market reforms. This is not hypothetical but something observable. The strengthening of the representative institutions in conjunction with the public preference for increasing 'social justice' acted as an obstacle for market reforms even after the collapse of the Soviet Union. In 1993, Yeltsin dissolved the elected legislative bodies (the Russian Congress of People's Deputies) in a violent and extralegal manner under the pretence that they were obstructing (pro-market) economic reforms (see Kotz and Wier 2007 204-207). Thus, if we are to consider Gorbachev's political reforms as being instruments of something, it would be more logical to consider them as instruments for *preventing* marketisation. To say this, however, would be to ignore Gorbachev's modus operandi. The logic of instrumentality, as it was argued in this chapter, was explicitly rejected by Gorbachev. The strengthening of the representative institutions occurred within perestroika most of all because it was appropriate. It was in line with what Gorbachev called the ‘socialist idea’ as well as the idea of ‘humanistic socialism’. The ‘socialist idea’ and the ‘market’ were not exactly mutually reinforcing ideas.

Two points are in order here. First, it may be that ascribing autonomy to Gorbachev as a reformer, and thus considering the cohesion and coherence of the policies of perestroika as a function of leadership, is a simplistic view on a complex issue. However, the concrete objections to doing so found in the social science literature, as shown here, are based on factually incorrect, logically questionable, or simply trivial points. Secondly, whether or not the constraints-centered accounts correctly evaluate Gorbachev’s intentions and motives is not a big issue in itself. The issue is that they place too much weight on a peculiar interpretation of Gorbachev’s intentions for their key arguments – those are 1) the Soviet system was unreformable and 2) the conflict between the entrenched bureaucrats and reformers gave direction and even predetermined the eventual outcome of Gorbachev’s reforms.

The moment we consider the possibility that Gorbachev was not trying to learn from China’s experience with reforms – if he was looking at the Chinese reforms for anything, it was for what *not* to do – we cannot avoid the conclusion that Gorbachev’s policies were poorly designed. This in turn should deter us from making definitive claims about the reform outcomes. *We cannot really know whether or not the Soviet system was reformable because Gorbachev’s policies were bad (poorly designed).*

Conclusion

The tendency to emphasise the role of constraints to agency in the analysis of institutional changes has led to three prevailing trends in the social science literature on the Soviet reforms:

1) assessing Gorbachev’s pre-1987 reform decisions as an extension of the political context;

2) ascribing an instrumental function to the post-1987 political reforms, (the reasoning is that they were in the service of enacting market reforms);

3) and identifying the strength and preferences of Soviet bureaucracy as a determining factor for the outcomes of the reformist policies.

By considering Gorbachev leadership as being ubiquitous and structuring phenomena in relation to the policies of perestroika, this chapter shows how we can acquire a different angle on the Soviet reforms and at the same time recognise what those constraints-centred arguments miss or misrepresent. Reiterating the key points:

The linkages between the logic of appropriateness and the policies of perestroika. Appropriateness is often understood in terms of routines and habits, but as March and Olsen note, 'The relevance of the logic of appropriateness… is not limited to repetitive, routine worlds, and rule prescriptions are not necessarily conservative' (2011: 481). With Gorbachev's era reforms, such logic comprised both deliberation and discontinuity. To reiterate this point, Gorbachev had rejected the end-justifies-the-means principle – something that was held in high esteem by many other communist reformers – in most policy and political matters and this gave a distinctive hue to both the policies and politics of perestroika.

Although linking the logic of appropriateness to individual choice and deviation seems counter-intuitive, I do not see a more plausible alternative for anchoring this logic and dealing with its genesis and role in shaping the reforms in the Soviet Union.

The inconsistencies of the policies of perestroika. The policies of perestroika had mutually offsetting or unattainable goals or they were incompatible with the other emerging rules or principles**.** One single measure (i.e., the Law on State Enterprises) was supposed to defeat the entrenched bureaucracy, solve the problem of workers' alienation, and restore the vitality of the Soviet economy in the process. Objectively speaking, there was a trade-off to be made here. Similar design issues appeared with most other policies of perestroika. An increase in quality and production output simultaneously (the quality control programs of 1985); an increase in workers' productivity while saving the morals of the nation (the anti-alcohol campaign 1986); an increase in social justice while ending the Brezhnev era of stagnation (Gorbachev's key promise); to strengthen the societal controls over state actors while increasing the formal powers of the executive (the post 1987 political reforms). Such policy design issues appear with remarkable frequency across the temporal and spatial dimensions of perestroika. It is likely that there was some constant cause behind them– such as Gorbachev's power and his disposition for ignoring the obvious. More importantly for our purposes here, we should note that *the fundamental problem of perestroika was not the tension between the old and the new but the tension between the new and some other new.*

The fact that these policy design issues pre-determined the inability of the policies of perestroika to achieve their stated purpose, or that the economic goals of perestroika were unattainable for reasons other than the entrenched bureaucracy, has not gone unnoticed. It was in fact (immediately) obvious to foreign analysts (see Hewitt 1987; Sakwa 1990) and to actual participants in the Soviet reforms acting both from outside (e.g. Leonid Albakin) and from within the state bureaucratic structures (see Elman and Kontorovich 1998). This feature of the policies of perestroika, however, is lost in accounts of Gorbachev's era reforms that use the power of the Soviet interest groups as an analytical vantage point.

As they start with constraints on executive power, they are fundamentally incapable of recognising the logic of the policies of perestroika and assessing the quality of the policy design and its consequences. They mask this by moving in two directions. First, by linking Gorbachev's intentions with those of Deng, and second, by conceptualising the Soviet state bureaucracy as being a strategic and deliberate actor. Even if we accept the assertion that Gorbachev tried to copy Deng on the economic plane, the problem that remains is in highlighting the trivial over the important. By this I mean that if a decision maker believes that his decrees have a magical power **(**e.g. they can increase the quality and quantity of production simultaneously, nullify the alcohol culture while also increasing workers' productivity) is it really necessary to dwell on whether those decrees were 'pro-market' or consider the strength and preferences of the bureaucracy? A badly designed set of policies, whether they are pro-market or anti-market, cannot mutate during their implementation; they can only achieve their potential.

The inter-play between poor policy designs, Gorbachev's power, and the appeal of the ideas of perestroika. The pre-1987 and the post-1987 policies of perestroika, as detailed in this chapter, were intimately related. In particular, the poor design of the former has shaped the outcomes of the latter. This effect is indirect but apparent once we introduce Gorbachev's conduct and fortunes as a reformer into the equation.

Those ambitious regulatory policies and investments in heavy industry from the pre-1987 era were not a product of systemic inertia. Instead, they carried the imprint of Gorbachev's leadership. It is not that Gorbachev's prescriptions for the Soviet economy were similar to those of his predecessors, but rather that he *ignored the outcomes* of those previous efforts in order to revitalise the Soviet economy. Those outcomes suggested that the administrative excess and the heavy industry focus had exhausted their positive potential in relation to developing the

Soviet economy. What Gorbachev did in conjunction with enacting such policies is no less important. Namely, by vigorously attacking Brezhnev's era of stagnation and by doubling the economic growth projections he created certain positive expectations. Those regulatory policies played a pivotal role in undermining perestroika not for what they did to the Soviet economy directly (their direct effect upon the economy, as some argue, was not that dramatic), but because they related poorly to the goal of abruptly ending Brezhnev's era of stagnation.

The policies of the 'accelerating socio-economic development' program created a gap between Gorbachev's public promise to end Brezhnev's era of stagnation and economic realities for Soviet citizens. This gap in turn led to a loss of support for Gorbachev's leadership after 1988 or 1989. The loss of support for Gorbachev in turn created some negative feedback on the policy plane. After 1990, there was an indiscriminate rejection of the principles and policies that Gorbachev was associated with. Exemplary of this trend is the revived interest in Stalin after 1990. (Stalin symbolised something entirely different from Gorbachev and therein lies the root of his revived appeal.) More important than this oddity is the reversal of those processes that Gorbachev and his team wanted to make irreversible – i.e. establishing a rule of law, a vibrant civil society, strong representative institutions, and party-independent mass media. None of these positive trends survived the fall of perestroika.

Gorbachev's political reforms were no less important in shaping the outcomes of those democratic processes. His post-1987 initiatives moved in two directions: increasing the powers of the executive and a strengthening of the representative institutions. He was capable of implementing both types of changes; however, peaceful co-existence between the two institutional arrangements was impossible.[152] The devouring of the latter by the former, which occurred in 1993, was only natural.

This chapter and the previous chapter have explored the points of interaction between the policies of change and Deng's and Gorbachev's excersise of power. In particular, the focus was on how the two leaders interacted with the coherence and cohesivness of the reformist policies, and how the performance of the reformist policies affected (or was affected by) the political triumpfs or failures of each leader. The purpose of focusing on these interactions was to give a distinctive perspective upon Deng's era and Gorbachev's era reforms.

The interest-group arguments regarding Gorbachev's era reforms and the incrementalist arguments about Deng's era reforms were the measuring stick for that distinctiveness. The point of divergence was the representation of the interaction between leaders and policies of change. My representation better reflects the complex reality of the interactions between the leaders and the policies of change and, more importantly, it is more useful. It identifies elements of policy design (coherence and cohesiveness or incohesiveness) and puts into perspective the causal impact of such elements upon the reformist outcomes in the two cases. It also allows for recognising the debate on whether Gorbachev supported or opposed market reforms as a somewhat trivial point for understanding the trajectory of perestroika and its outcomes. (It is redundant here to consider whether and to what degree a leader is supportive of some progressive or radical policy idea if that leader is a patron of poorly defined, inconsistent and mutually offsetting measures.) It also allows us to recognise politics in China from Deng's era as being a subject of deliberate intervention, and as being *conceptually* intertwined with the economic reforms. (Seeking economic development by limiting the grip of politics on economics, and education and administrative processes, which was what Deng was trying to do, is not something that fits the description of 'economic reforms' in a meaningful way.)

In concusion, I have engaged with the particular (events and inferences about those events) in this chapter and the previous one for illustrative purposes, in order to say something about the study of institutional change and the problem of bringing the leader into the analysis of such processes. From such a perspective, the usefulness of the data produced lies in the fact that it shows the following. How blurring the lines between normalcy and extraordinariness, equating the subtle with the important and the apparent with the unimportant, the excessive focus on constraints, and the detachment of elements of design from the exercise of power at the centre pervades the analysis of institutional change; what tends to be lost in such practices; and how we can abandon such practices in a meaningful and useful manner.

The next chapter considers Deng's and Gorbachev's efforts to manipulate the impact of history and bureaucracy upon the change processes. The focus is upon the variance in their efforts and the policy contingencies resulting from those variances.

CHAPTER 7

History, bureaucracy, and the choices made by Deng and Gorbachev

7.1 Introduction

The 19th Party Conference of 1988, often hailed as the high point of Gorbachev's perestroika, was predominated by two themes. The first was bureaucracy – 'On combating the bureaucracy' emerged as the key conference resolution (see Gorbachev 1988: 140-6). The second was history – 'history' emerged as being 'the most contentious issue at the Party conference' (Davies 1990: 46; Gorbachev 1988a; 1988b). In June 1980, Deng gave his key reformist speech *On the reform of the system of party and state leadership*. It concerned the mistakes from the past, and lessons to be learned from them, and 'bureaucracy' (see Appendix B).

Bureaucracy and history were the stubborn issues which warranted Gorbachev's and Deng's constant attention. Each had a different idea than the other as to what was to be done about them. Deng constrained the discussion to the contentious issues from the past and introduced his change initiative under the modest but unorthodox label of 'reform'. Gorbachev, in contrast, imposed a discussion on the past and used the more inspiring (and the more familiar) label of 'revolution'. With regard to the bureaucracy, Deng identified the causes for transgressions of Chinese bureaucratic organisations at the level of culture, tradition and institutional settings. In contrast, Gorbachev treated the Soviet (state) bureaucrats as being strategic actors dedicated to preserving the status quo, and thus an enemy to be defeated for the sake of progress.

By focusing on that contrast, this chapter repeats a few relatively familiar points. Gorbachev's peculiar attitude towards the past has been noted (Cohen 2009; Broue 1992; Nekrich 1990; Davies 1990; Sakwa 1990). The same applies to his obsession with marginalising (and vilifying) the Soviet state bureaucracy (Hahn 2002: 79; Ligachev 1993: 109-110; Ellman and Kontarevich 1998; Hewett et al. 1990: 78). Deng's distaste for the ideas of the past (Ruan 1994) or near obsession with the present (Pye 1994) has been brought to attention as well.

This chapter goes beyond previous points by**:**

1) tracing the *connectedness* between the leader's approach towards bureaucracy and history in each case (as opposed to treating them as two separate issues). That connectedness is revealed by asking three simple questions: 'Did the leader see the bureaucracy as a strategic actor or not?' 'Was the leader fond of mass campaigns or not?' 'What was the traditional method for dealing with the problem of bureaucratism in socialist systems (and did the leader act in accordance with that method)? '

2) assessing how leaders' interactions with the bureaucracy and the past was affecting or was affected by the policy designs. The unresponsiveness of the Soviet state bureaucracy to Gorbachev's progressive initiatives, it will be argued, was a product of vagueness, inconsistency and other design flaws that were inscribed in those initiatives. Deng's decision to turn his back on past strategies of reforms had led him closer to the known principles of good design (e.g. not relying on 'off the shelf' policy ideas and not reducing the challenge of reforms to politics).

3) showing where and how the often used 'radicalism vs gradualism' and the 'economic vs political reforms' dichotomies exhaust their usefulness for the purposes of analysing the cross-cases variances.

The chapter proceeds as follows. It will, first, give a general account regarding the problems of 'bureaucracy' and 'history' (or, more precisely, regarding the strategic situation they create for the reformer) and identify in the abstract the mechanisms through which leaders can manipulate those forces. Next, it details the *variance* in Deng's and Gorbachev's efforts to manipulate those forces. The idea that the leaders' responses to the problems of bureaucracy and history are *structurally undetermined* is elaborated in the context of each case. Alternative explanations which treat leaders' conduct as being an extension of some particular circumstances (i.e. culture, institutional setting, and political contexts) are also considered. By the end of this chapter, some clear answer should emerge to the following questions. How considering the causal link that runs from a leader's choices to those forces of history and bureaucracy can be a useful exercise in terms of furthering our understanding of the role of leadership in shaping the change processes in China and the Soviet Union and in terms of revealing certain systematic aspects of those processes.

7.2 The past, the bureaucracy, and the strategic dilemmas of the reformer

According to Hirschman, the process of 'reform' unfolds through a series of unbalancing and balancing acts or 'pressure-inducing' and 'pressure-relieving' actions (1958). It is a simple dichotomy which brings to attention the contradictory nature of deliberate attempts at introducing structural changes. For the leader, these contradictions take the following form: The loss of trust and the problems of legitimacy – issues that pre-exist and precondition reformism – do not extend to the new leader. Leaders start on the positive side of the ledger. This, however, is a 'loan' that expires eventually and thus pressures leaders to assume the role of agents of change. By virtue of their position (as they act from within the state), leaders cannot act only on this impulse, for that would be like 'chopping off a branch they are sitting on'. Securing order and stability is the other key concern of the reformer (Huntington 1968). This 'dual role' adds another layer of complexity to the basic calculating and co-ordinating functions that political leaders perform on the policy plane. Regardless of the specificities of the institutional settings in which they act, reformers perform two irreconcilable roles: one is about reaffirming and the other is about contesting the existing institutional order. As there is no possibility for synthesis between the two roles, leaders here face dilemmas and, by extension, engage in trade-offs.

Those trade-offs relate to the forces of bureaucracy and history.

It has been often pointed out that the forces of history and bureaucracy are too big to be affected dramatically by individual action. The fact remains, however, that reformers cannot avoid dealing with them. Reformers are in the business of restoring trust and legitimacy, and those issues are inseparable from history. They have more interest than any other actor in the successfulness of the new policies; hence, they have to engage intensively with the bureaucracy. Each encounter is discussed in turn.

The past as a constraint and the reformist dilemma between directness and roundaboutness

> Men …are frequently influenced more by appearances than by reality.
>
> Machiavelli, (The Discourses, I, 25)

‘History’, argues Samuels, ‘becomes a nearly bottomless well of resources in the hands of particularly able leaders’ (2003: 360). While that may well be true, history also imposes a set of specific constraints for the new leader. Reformers are caught between the general expectation (or desire) to bring different outcomes and the necessity or desire for preserving familiarity in their actions. History, in other words, compels reformers to do things differently and to do things not that differently. These are the two questions that the past imposes upon the reformer: ‘How did we get here? ‘(‘Here’ is not a happy place; or, at least within the contingencies of interest, here there is an elite consensus on this issue.) ‘How different or similar are our ways from those of our predecessors?’ By answering these questions, leaders manipulate (tacitly or expressively) the relationship of the past with the present.

Answering the question ‘How did we get here?’ is in part a *diagnosis* of the institutional incapacity to solve the problems of the day. In this context, leaders consider past state projects and their outcomes and try to draw the appropriate lesson. We can imagine three ways in which leaders reach for the past in this context. As observed in the previous chapters, reformers engage in subverting the active legacy of their predecessors. They do so because they can, and because the idea of doing the opposite and bringing the opposite results is an appealing one. Their involvement with the past does not end here. If we accept that present institutional conditions in a country are in part a product of past strategies of reforms and that actors can be reflective on this issue, then *reassessments of those past strategies of reforms* is another way in which leaders can turn to the past. Conversely, they can replicate or reject them. The question ‘how did we get here?’ also invites the question ‘How relevant is the past for our current predicament?’ In academic discourse, the past appears as something ever-relevant**.** Political leaders, on the other hand, occasionally tend to think about the past in the following way: ’The dogmas of the quiet past are inadequate to the stormy present…As our case is new, so we must think anew and act anew.'[153]

The larger point here is that when leaders deal with 'How did we get here?' and similar types of questions, the past in this context appears as being something that *informs* rather than being an object of strategic action.

Answering the question 'How different is what we are trying to do now from what was done before?' is in part a discursive exercise aimed at *legitimising* their mandate for change and/or those change initiatives that deviate from the established norms.[154] Two strategic paths open up here. Leaders can rely on catchy labels, employ the rhetoric of radical change and impose a discussion of past mistakes; this is usually accompanied by changes in appointees and names (e.g. renaming public spaces) and similar, relatively low-cost operations which make *change visible*. Alternatively, they could try to cloak the disruptive nature of the policies of change under the guise of the existing guidelines, values, and orientations. Machiavelli, to my knowledge, was the first to note this phenomenon:

> He who desires or proposes to change the form of government in a state and wishes it to be acceptable and to be able to maintain it to everyone's satisfaction, must retain at least the shadow of its ancient customs, so that institutions may not appear to its people to have been changed, though in point of fact the new institutions may be radically different from the old ones. (The Discourses, I, 25)

The two approaches are based on different change logics. The rationale of the one approach is to draw out obstacles and opposition to change, defeat them in the political arena, and, in doing so, create the conditions for progress. I shall call this the direct approach. The rationale of the other approach is to create a virtuous circle between changes in policies and changes in values and attitudes among those who are affected by the changes in policies, and in doing so to 'smuggle' progress. I shall call this the roundabout approach.

In relation to politics, the rationale promulgated by the first strategy is that 'everyone or everything that is not an ally of the reformer is an enemy'. The rationale promulgated by the latter approach is that 'everyone who is not openly opposed to reform is for it'. Stated differently, the first strategy is a deviation that rests on presenting the obstacles to change (both real and symbolic) as being more firm and the latter is a deviation that presents them as more plastic than they actually are. [155]

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[153] Abraham Lincoln, Annual Message to Congress, Dec. 1, 1862.

[154] By 'polity' I do not necessarily mean the legal system but something more fundamental, as 'the factual distribution of power', which in turn 'may be defined by law but it needs not be' (Strauss 1956: 136).

As both strategies *manipulate the perceptions of change and perceptions of the obstacles to change* differently, each generates a different type of conflict. With the direct approach, the political conflict takes the form of a dispute over principles and tends to revolve around absolutes. This *polarisation* of the political space can undermine the reformer's capacity to deal directly with the actual deficiencies of the existing institutional order; it compels him or her to subdue such pursuits in favour of winning the ongoing political struggle**.** The roundabout approach has that advantage in that it *deprives* those who oppose radical departure from the status quo of an opportunity or a platform for mobilisation of resistance (for a more extensive elaboration of this strategy see Hirschman's *Journeys Toward Progress* and his notion of 'revolution by stealth'). Here, the ideological (or normative) debate is constrained; the issue at hand is *not* whether a certain value, orientation or principle is 'bad' but whether the new policies are *compatible* with it. [156] The disadvantage of such an approach lies in the following: whether a radical change will happen (a change in values, ideals, and ideational foundation of the institutions) remains uncertain throughout the intense policy-making period. This is so because rather than being narrated, the change in values and ideals is more subtly inscribed in those new policies. Should those policy initiatives, for whatever reason, remain unrealised or prove to be ineffective, there is no radical change. Stated differently, *the change in values and ideals is as strong as the (practical) feasibility of the reformist policies.*

Thus, whether the reformer focuses on obstacles to progress in the current institutional arrangements and imposes a discussion on past mistakes or focuses on the opportunities and eschewes the discussion about the past–i.e. exploits the gap between the actual function and the possible interpretation of the existing rules and norms – determines whether the subsequent political conflict will revolve around principles – e.g. is this value or practice good or bad – or about 'smaller' issues – e.g. is this policy in accordance with our values or not.

It can be argued that the two strategies are driven by different considerations. The concern for not taking the roundabout approach can be stated as follows: 'We only take problems that we know how to solve', to paraphrase Marx, and framing the problem of institutional change as being a political one is tempting for the leader. Winning political battles is an area in which political leaders usually excel. This is what got them to where they are –i.e., leading a nation. Equally valid is the concern of those who want to fulfil their change mandate without manufacturing political conflict. To paraphrase one of the key protagonists in this research: political triumphs are a poor substitute for solid systemic measures (Deng 1980). (As we shall see below, Deng decisively rejected reducing the problem of institutional change to politics.) *Leaders in this context can either reduce the problem of institutional change to what they know best – winning political struggles – or, they can replace doing what they know for what they do not know– dealing with the practical challenges of institutional change.*

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[155] Hirschman (1967) makes the distinction between the 'laud' and 'reform-mongering' approach. He juxtaposes "petites idées" vs. messianic blueprints. Huntington (1968) makes the contrast between Blitzkrieg and Fabian strategy. As these conceptual schemes carry some unwanted connotations in that they see one of the two approaches as being more radical than the other, I will refrain from using them.

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A few clarifications are in order here.

I do not wish to claim that leaders have extraordinary foresight or engage in a complex assessment of the possible consequences of the alternatives considered here and only then determine their course of action. Which of the two approaches that one will adopt may well be a function of the cognitive short-cuts one uses to interpret one's environment. Simply stated, as Hirschman (1970) notes, some leaders will excel at *perceiving opportunities* while others will excel at *perceiving obstacles* within the given conditions. On a related note, the analysis here does not equate leaders' efforts for relating the past with the present with intentionalism but takes into consideration that intentionalism is, in one way or another, constitutive of their effort. Leaders exercise tremendous influence on the relationship of the past with the present during periods of reforms; whether that influence comes in the form of intentional, unreflective or appropriate action is something to be established by carful observation and analysis of the specific interactions of interest rather than determined a priory.

It is also important to note that, in the context of this analysis, the differences between directness and 'roundaboutness' do not correspond to those between radicalism and incrementalism.[157] So long as we accept that the *discourse* of incremental change (which for sure is present with the roundabout approach) is not always a revelation of the actual preferences for change/continuity held by reformers, then we can consider the roundabout approach as being genuinely distinct from the incremental approach**.** If 'radical' change is equated with *conflict,* then, for sure, the direct approach is more radical than the roundabout one. However, if radicalism is understood as introducing changes that *contradict* the established rules and guidelines and is measured in terms of how distant the new is from the old, then both the direct and the roundabout approaches can be equally potent tools of change– that is to say, both approaches can be qualified as being radical. Moreover, it is often the case that changes brought about via a 'new interpretation of old rules' can turn out to be more radical in their design than change initiatives that are 'advertised' as being radical (see Samuels 2003:7-8; Blondel 1987; Machiavelli 1986:175; Hirschman 1970).

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[157] Evidently when Machiavelli speaks about making something new *appear* as old, he does not speak about incrementalism, if the latter is understood as a preference for introducing change at the margins (North 1990).

Therefore, rather than radicalism or incrementalism, the difference between the two strategies is understood here as being a matter of emphasis: whether the emphasis is on the perceived or imagined political obstacles to change or on the *usefulness* of the policies of change. Moreover, to a certain degree, it is a matter of sequence. Namely, they differ on whether 'super-structural' change (i.e. change in values, ideals, and master narrative) should precede or result from concrete policy changes.

Lastly, state leaders do not possess the exclusive right to deal with questions that concern the past. Diverting attention to or away from the past, however, is one of their prerogatives. Furthermore, in contrast to the leader, other (elite) actors are more interested in interpreting the reform initiatives, rather than the past. Conservatives tend to speak about them in terms of *perversity*, *futility*, *jeopardy*, to borrow Hirschamn's terminology (see Hirschman 1991). Radicals (i.e. those who see regime change as being the only viable solution) tend to speak of them in terms of insufficiency (see, for instance, Yeltsin's *Against the Grain* 1989).

Bureaucracy as a constraint and the reformer's dilemma between coercion and buying

If the first dilemma concerns positioning disruptive actions vis-a-vis the polity and the past, the second dilemma is how to deal with the 'bureaucratic resistance to change'. The predicament for the reformer here can be sketched as follows: bureaucratic agencies are factors of both change – as they are responsible for implementation of the reformist policies – and continuity – as they tend to be inert and biased towards the status quo. Generally speaking, leaders can deal with this situation in two opposite ways: they can try to manipulate those pro status quo tendencies through 'control' or' incentives'.

From a somewhat different, more inclusive perspective, the issue at hand for the reformer is how to deal with conservativism (an inertia of bureaucratic actors is a traditional ally of elite conservativism); it is about choosing the appropriate *means of persuasion,* and the choice is between 'going public' or 'buying'.

The dynamics of this (choice) situation can transcend time and space. While studying the dynamics of American presidential politics, Kernell notes the following: By going public, 'the president seeks the aid of a third party – the public – in order to force other politicians to accept his preferences (1992: 3). The author also notes that 'going public undermines the legitimacy of other politicians' (Ibid). The dynamics of American politics may be rather peculiar, this notion that 'going public' undermines the legitimacy of established power centres is of transcending quality.

Kernal identifies 'bargaining' as being an alternative to going public. This equivalence is not that fortunate due to the following: Going public is a disruptive act; bargaining is not. Going public is a distinctive capacity of the leader (other political actors usually cannot 'go public'), bargaining is not (everyone can be a bargaining party in politics). Going public implies rigidity – e.g. the leader has already decided on how to deal with certain public or administrative problem, the lines are drown, and the function of this strategy is to exert pressure over those who oppose the leader's policy initiative. Bargaining does not allow us to entertain such an idea. By definition, the solution to a given public or administrative problem during bargaining arises from the process of bargaining, and it usually is something which neither of the bargaining parties had initially envisioned (see Dahl and Lindblom 1953).

Kernell discusses bargaining and going public strategies within a specific setting and a specific period – namely, he considers both going public and bargaining as being *regular* elements of American politics. Generally speaking, in relation to periods of normalcy, his dichotomy is, presumably, not actually problematic. If we step outside the realm of normalcy, however, the problems with this dichotomy appear in numbers. During periods of reformism, for instance, the *consensus* on reforms opens up different pathways for policymaking (different to bargaining) and makes the strategy of going public somewhat redundant (initially, at least). The other issue is that the concept of bargaining is invariably related to incremental change.[158] Thus, the 'going public' vs the 'bargaining' dichotomy invites the radical vs. incremental change dichotomy. With this, the ways in which reformers seek radical departures from the status quo are restricted to only one approach.

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[158] The association between bargaining and incrementalism was drawn first by Dahl and Lindbolm (1953; see also Lindblom 1963). This pairing becomes a standard practice; accounts of change that identify bargaining as a predominant mode of policy-making also tend to use the term incremental change.

Instead of bargaining, the term ‘buying’ is employed here. ‘Buying’ in the context of this analysis refers to the following: The leader relies upon *incentives* in order to pacify opposition to certain change initiatives by *manipulating* the preferences for change /continuity of established political actors (be it groups, organisations or individuals). In this form, the term buying lacks the theoretical connotations that bargaining entails; more importantly perhaps, it points to a distinctive leadership mechanism. The ‘buyer’ asks others ‘What would it take for you to support my change initiative? ‘Implicit to their proposition is the threat, ‘Know that if you fail to support my initiative, there will be consequences’. The capacity to ask those questions comes from the leader’s capacity to allocate resources and opportunities disproportionally to other actors and to make *credible threats* disproportionally to other actors. ‘Thus, whereas ‘bargaining’ presupposes the presence of actors with mutual veto powers, buying presupposes actors entering into a highly inequalitarian relationship, to borrow Blondel’s (1987) phrase.

The nuances on buying as a change mechanism will be illustrated using Deng’s case. For the moment, let us consider how going public and buying create different constraints and opportunities on the policy plane. Going public involves identifying a certain overarching ‘just’ cause, identifying the *internal enemy* to that cause (i.e. bureaucracy and conservativism), and demanding public support via *constant campaigning* on both accounts. The strength of such an approach lies in that it allows the reformer to exert pressure on to the ‘bureaucracy’ and the political establishment from above and from below. The *costs* are the following: An unavoidable side effect of ‘going public’ is that it brings *publicity* to the actual reform initiatives. The ‘public’ is no less conservative than the establishment (or the bureaucracy) on certain issues. Namely, concerning policies that bring economic uncertainty – e.g., price deregulation, wages cuts, workers layoffs – they are also pro status quo actors. As the reformer cannot antagonise both the establishment and the people simultaneously, antagonistic public policies are off the agenda of those reformers who try to bring the public as an ally.

Contrastingly, the strength of the ‘buying’ approach lies in the fact that it enables reformers to pursue non-popular policies – that is to say, to apply economic criteria to economic problems. The rationale of such an approach is that *reforms can be either successful or popular and that it is better to be successful than popular.* The limitation of such an approach is that it is predicated upon maintaining the perception that the benefits of supporting the leader's initiatives outweigh the costs of opposing them.

Thus, the going public and buying differ not only for their direct effect over pro status quo actors but also in that each strategy brings different contingencies on the policy plane for the reformer. One gives greater leverage for enacting administrative reforms; the other for enacting economic or social reforms. Both are imperfect solutions. By this I mean that both administrative reforms and changes in public policies are needed in order to fulfil the reformist promise of socio-economic development and reformers tend to engage with both issues *simultaneously* rather than sequentially – intensive activity on one plane and stasis on the other is not something that has been observed very often**.** It is also worth noting that pursuing populist policies is compatible with the strategy of going public and incompatible (or redundant) with the buying approach.

Hopefully, the sections above have managed to outline the terrain in which the reformer operates in relation to history and bureaucracy. To reiterate the basics: In their role as reformers, leaders can impose or constrain the discussion regarding the past and they can make *substantial* or *instrumental* references to the past. They can try to control opposition to change through exerting *pressure* or through *incentives*. It is reasonable to assume that these choices are unbounded by cultural and institutional particularities**.** On that note, I will turn now to the specificities of socialist systems while arguing that they do not drastically change the general picture or the nature of the trade-offs.

7.3 The constraints of history and bureaucracy from the perspective of socialist systems

The past and the communist reformer

The fact that politicians manipulate the past in order to fit their present needs is by no means something that occurs exclusively in socialist systems. However, such activities were carried out with a certain excess in socialist systems.

The rationale that ‘everything is political’ did extend to communists’ conception of history. ‘Matriarchate, patriarchate and the secretariat’: this was a running joke among Soviet communists about the Party’s position on history. (Communist) history was to be discussed along three lines: the triumphs of the proletariat over the bourgeoisie, of the Party over its opponents, and the constant struggle with ‘imperialism’ (see Wydra 2007 228-30; also, Nekrich 1990). Styles for installing those parameters varied. Stalin’s *Short Course History of the CPSU* (published in 1939 and preceded by a campaign of political purges and executions) is exemplary of the bureaucratic approach towards ‘putting history in order’. Mao’s Cultural Revolution – which Harrison (1972) considers as being ‘the most massive attempt at ideological re-education in human history’– is exemplary of the revolutionary approach towards ‘putting history in order’.

Interpreting history was one of the rights and duties of the party leader. By extension, the opportunities and limitations that communist leaders faced when dealing with the past were unique relative to other individuals.

For instance, when communist leaders would criticise categories such as ‘equalitarianism’ or ‘class struggle’, they were praised for ‘speaking with unusual honesty’ on sensitive issues. [159] For others, stepping outside the official party line on such issues was dangerous. Others had to satisfy their inclinations for speaking about history and other big issues by discussing what was happening or what had happened in the other communist countries. As such, discussions about historical and contemporary events in other communist countries were more vibrant (and bolder) than those about domestic events (for more on this, see Shambaugh 2009.

As regards the Party leader, he was entrusted with an authoritative interpretation of ideology, and by extension, of history. Interpreting whether their country is at a stage of ‘developed socialism’ or ‘developing socialism’, and so forth, was another right and duty of the communist leaders. Determining to what extent the ideas or practices of the past bear relevance for the problems of the day was another responsibility of the communist leader.

The fact that communist leaders faced history on radically different terms than other actors did not mean that they were unconstrained. Communist reformers are in essence *unelected public officials*; as such, they have to look for legitimacy for their actions elsewhere – i.e. in history. There are two types of reference to history that communist reformers tend to make. First, there is the reference to the ideas of the past; this is to show *continuity*, that is to say, to show that their aspirations as reformers are in line with Marxism-Leninism. ‘We are continuing on the path of Marxism-Leninism…’: is a common phrase with which communist leaders start and end their public/party speeches**.** A second type of reference that communist reformers make concerns the *practices* of the past; they try to show discontinuity from those practices and/or to blame their immediate predecessors for the current predicament. Thus, for instance, Gorbachev denounced Brezhnev, Deng did the same to Hua Guafang, Khrushchev to Stalin, and so on.

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[159] Stalin, for instance, in 1931, condemned the wage levelling and equality mongering and allowed for greater wage differentials (Sakwa 2005: 181).

Within those frames, communist reformers, broadly speaking, can manoeuvre along the following lines. They can either ascribe centrality to criticising the past (e.g. they can organise ‘national campaigns of criticism’ of some past leader or group) or push such historical revisionism to the margins of their activity. Their reference to the ideas of Marxism-Leninism may be substantial (i.e. extend to the aspirations they carry as reformers) or take the form of a simple homage.

The bureaucracy and the communist reformer

It is said that the bureaucrats in socialist systems (by bureaucrats, I mean the SOE’s managers, mid-level administrative managers, and the local or regional party elites) are *institutionally bound* to behave conservatively and be passive, as there is little to be gained from innovation or initiative and little to be lost from the lack of it (see Hirschman 1958: 59-61). Naughton (1987) called the tendency of the Chinese bureaucrats to distort decisions made from above as ‘implementation bias’.

It is vital to discern here what is, and what is not, peculiar about the ‘problem of bureaucracy’ in socialist systems. On that note, hostility towards innovation is not something that is exclusive to bureaucracies in socialist systems. Or, rather, the *idea* that bureaucracies are enemies of innovation prevail in both democratic and socialist settings. In both democratic and socialist systems bureaucratic organisations have been stereotyped along similar lines**.** By this I mean that bureaucratic sabotage of reform is more often mentioned (by both social scientists and political actors) than an empirically observed phenomenon (on how bureaucratic agencies are stereotyped in socialist systems, see Whyte 1989; for democratic systems, see Rourke 1987).

What is peculiar for socialist systems is that the Party does not compete with anyone for control over the bureaucratic organisations. Promoting or demoting individuals in bureaucratic organisations, merging, deactivating or creating new bureaucratic organisations has not been a problem for the communist elites. Conversely, bureaucratic organisations were able to exert only a limited impact upon the policy plane, as they functioned with a 'borrowed authority' (for more on the party leadership-bureaucracy relations, see Huntington and Brzezinski 1964; Comiso 1986; although some authors, e.g. Shrink 1994, point out that bureaucratic organisations in socialist systems preserve some level of autonomy).

Unsurprisingly, the universal problem of 'antagonism between society and the bureaucracy' and 'antagonism between politicians and administrators' was dealt with excess in socialist systems. The creation of the 'dual hierarchy system '– brought about in the Soviet Union and perfected in China under Mao – was the communist answer to the problem of bureaucracy (see Shirk 1994). This solution only amplified the problem of bureaucratic inefficiency; it created confusion about institutional roles and amplified the strength of the patron-client relationship.

There was also an enduring fascination with finding alternatives to bureaucratic organisations. Marx and Lenin pointed to the Paris Commune of 1817 and Mao tried during the Cultural Revolution to bring some form of direct democracy as an antidote to bureaucracy. Thus, whereas the idea of abolishing bureaucratic organisations might seem something fantastic in democratic systems, here it was considered as if it belonged to the realm of the possible and desirable.

I do not wish to suggest here that this antagonism towards the bureaucracy was driven only by ideology. Communist bureaucracies were famous for their malpractices. Bribery, extortions, feeding the central authorities with inaccurate information – usually inflated reports on fulfilment of the 'plan' – failing to carry on directives from above were a frequent occurrence. The causes for this however had less to do with the personal integrity of those individuals found within the bureaucratic organisations and more with the broader institutional environment and political culture. Their institutional roles were poorly defined – namely, due to the dual hierarchy system, there was an overlap of authority; the pre-given political criteria for policy evaluation fostered poor performance. Bureaucratic actors had to work with peculiar and often poorly specified requests from their leaders. Then there was the ever-present fear of being judged on ideological criteria (see Davies 1989: 88-91)**.** The lack of a proper legal system and the clientelist networks had left but one alternative for the bureaucrat: to *show complacenc*y.

Thus, as Kornai (1990:3) argues, the root of the problem is not the incompetence or unwillingness of the communist bureaucrats to perform their duties; instead, the broader institutional and cultural context in which bureaucratic organisations operate fosters inefficiency and poor performance.

‘It has become a conditioned reflex for the bureaucracy to try to hide any problem, difficulty, or crisis that arises or release selective or distorted information about it’, writes Kornai (1992: 426). A ‘conditioned reflex’, by definition, cannot be considered as being a strategic action. To put this in slightly different terms: If strategy is understood as being something available to the powerful, to those who have a certain autonomy (see for instance, de Certeau 1984), then bureaucratic organisations in socialist systems cannot fit into such a category. For the same reasons, they were a *convenient* enemy for the communist reformer.

Whenever communist leaders saw their (grandiose) plans backfire, they could safely point the finger at the bureaucracy. It was expected and *appropriate* to do so. Let me turn to Marxism for a moment here. Given that Marxism was not (only) about class but about labour and the exploitation of labour, passing the torch from the bourgeoisie to the bureaucracy was natural once the communists became an established power. Marx’s contention that the bureaucracy serves the interest of the ruling class was modified here into *bureaucracy as a self-serving entity*. In other words, in the absence of the bourgeoisie class, the bureaucratic class had emerged as a ‘second-best enemy’ of the proletariat (i.e. the Party).

To put this in more definitive terms: *having the bureaucrats on a short-leash while trying to limit their self-interested behaviour should solve very little in socialist systems; nonetheless, for various historical and practical reasons, the temptation to do so for the communist leader is great.*

Having said that, in socialist systems, as elsewhere**,** the reasons for not trying to ‘twist the arm’ of bureaucratic actors were convincing**.** Not only was the communist bureaucracy in charge of the day-to-day activities of the state, and entrusted with the task of implementing directives from above, but also, in the absence of ‘market information’, it had a near monopoly over policy-relevant information. Accordingly, not all communist reformers were proponents of the view that the bureaucracy must be defeated for the sake of progress. Lenin was the first great communist reformer to lean towards a more pragmatic approach to the problem of bureaucratic inertia and drift; the last leader, as we shall see further below, was Deng.

History and bureaucracy have been painted with a rather broad brush here, but it gets us to the point. That said, it stands that the fact that communist leaders are in essence unelected public officials and the ethos of distrust for bureaucratic organisations give a distinctive hue to the interactions of communist reformers with the past and with bureaucracy. However, and what is more relevant for this particular analysis, is the fact that it also stands that they are facing the phenomenon of 'implementation bias' and are caught between the necessity for making both positive and negative references to the past. The difference is that communist leaders cannot rely upon alternative sources of information such as the market while making policy decisions and they have no alternative source apart from history for seeking a legitimacy for their actions. That distinctive hue comes, therefore, from the fact that the interactions between reformers and those grand forces are more intensive in socialist systems than elsewhere.

Turning to the cases, Deng and Gorbachev had contrasting ideas as to what was to be done about history and bureaucracy. This was hinted at by the following: Upon assuming leadership, Gorbachev made sure that his closest allies would gain control over the state propaganda machinery. From 1986 onwards, Yakovlev, 'the godfather of perestroika', was replacing editors in chief and controlling the media agenda (Kotz and Wier 2007: 63). Deng, in contrast, made no special effort to gain control over the party microphones. This was understandable, given that Deng, as the pages below show, had little to campaign for and nothing to campaign against.

7.4 Deng' choice: disempowering the past

> The principles and objectives of the four modernisations were formulated by Chairman Mao Zedong and Premier Zhou Enlai, but owing to the interference of the Gang of Four, we could not actually implement them.
>
> -Deng, November 26, 1979

Deng tried 'to advance by new methods for which there was *no precedent in either Communist or Chinese history*', notes Kissinger (2011; emphasis added*). Deng had put as much as effort toward avoiding conflict with past ideas and heroes, that is, toward creating an appearance of continuity with his reforms*. For these reasons, Deng's effort to relate the past with the present can be seen as being a 'change cloaked as continuity'.

Beyond this, Deng was committed to avoiding the traditional ways of reform communism**.** Communist reformers tend to frame themes of institutional change in terms of ‘movements’, ‘revolutions’ and mobilisation of (political) enthusiasm rather than in terms of reforms or development. [160] Deng *consciously* rejected those traditional methods and slogans. Regarding revolutions, Deng had one thing to say: ‘revolution takes place on the basis of the need for material benefit’ (Deng 1994: [1978] 110-11). The mobilisation of political enthusiasm, developing ‘revolutionary consciousness’ or a ‘revolution in consciousness’ were nothing that Deng wanted to be associated with as a reformer. This was not some impulsive rejection of the methods of the past.

According to Deng, revolutions were inherently destructive processes, whereas the situation at hand in China demanded ‘creative destruction’. In his own words: ‘We should not think that we have only to ``put destruction first'' and construction will follow automatically,’ (Deng 1994 [1980]). Deng also argued that constant campaigning and mobilisations, the two basic building blocks of ‘revolutions from above’, were incompatible with seeking institutional and economic development. ‘No currently functioning systems were ever reformed or new ones established by substituting a mass movement for solid, systematic measures’ he would argue (Deng 1980). He would also note that ‘No problem of mass ideological education was ever solved by launching a mass movement’ (Deng 1994 [1980]). It is important to note here that Deng’s distaste for revolutions and mass campaigns preceded the Cultural Revolution. Let me complete this summary of Deng’s thoughts with a statement he made a decade before the Cultural Revolution:

> Our Party and the Chinese people have proved highly capable in class struggle in the past. This explains why we succeeded in the revolution. On the whole, our Party and cadres have learned the science of class struggle, but they know little or nothing about the science of transforming nature. (Deng, April 8,1957)

Some features of the Chinese polity will be briefly considered here in order to elaborate upon the above remark that Deng promoted change under the guise of continuity. The Chinese polity can be seen as an ‘ideocracy’, comprised of Theory and Thought. Those two major components determined what was ‘possible’ and the ‘desirable’ in the following sense: Theory gave the ‘universal truths’, whereas Thought provided the *means* to translate ‘the truth’ into specific policies (see Chang 1996; also Schurmann 1968). Theory was something akin to 'primary rules' and Thought corresponded to 'secondary rules' (for this distinction, see Hart 1961). What Theory and Thought or Marxism-Leninism and Maoism stood for is more or less clear: (in no particular order) dictatorship of the proletariat, equalitarianism, and priority of ideology over technology. Due to the cult of personality, however, all that was said by Marx, and particularly by Mao, could have been treated as being part of the Chinese polity (i.ethe rules of the game). Moreover, Marx and Mao said many different things on different occasions, with some of these statements being profoundly anti-Maoist and anti-Marxist.

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[160] On the meaning of ‘movement’ in the communist lexicon on change, particularly in China, see Schoenhals (1999: 596-7).

Deng exploits this polity 'glitch'. In his discourse, 'through artful quoting out of context', Mao becomes a pragmatist (Kissinger 2011; see also Vogel 2011) and Marxism becomes a developmental ideology. In Deng's interpretation, Marxism now was no longer about the *relations* among the productive forces but about their *development* (Chang 1996). The basic Marxist premise that money distorts human relations (Marx 1963:428) was replaced by Deng with the premise that everything that brings economic growth is socialist. Even more conveniently, Deng promoted the maxim *Seek Truth From Facts* (a statement uttered by Mao at some point) as being the essence of both Maoism and Marxism (see Deng 1994).

Once he reinterpreted the polity foundations along such lines, it was easy for Deng to avoid an open conflict here. In fact, Deng positioned himself as being the protector of both Maoism and Marxism. At the start of the reforms (1980), the calls to denounce Mao – which were also voiced by some of the most hard-line Maoists – were decisively countered by Deng. 'The historical role of Mao Zedong must be affirmed', Deng argued. He also praised Mao's Thought as a 'treasured possession of the Chinese Communist Party and of our country' (Deng 1994 [1980]). Moreover, at the end of his journey as a reformer, (1992), he would proclaim, 'Marxism is the irrefutable truth'.

Deng, therefore, had tried to build a somewhat *positive* relationship with the communist past. He dispersed responsibility for past transgressions and failures of the Chinese regime in three directions. First, there was the 'legacy of feudalism' which Deng identified as being the key culprit for the cult of personality, clientelism and similar corrupting practices (see Deng 1994 [1980 b] see also Ruan 1994:79). The second culprit was the 'Gang of Four' – a group that gained prominence during the Cultural Revolution but was subsequently defeated by Mao's successor and was thus an easy target. In Deng's interpretation, this group was responsible for the chaos that engulfed China during the nineteen seventies. The third culprit was the system itself. According to Deng**:** ‘A sound system can prevent would-be evil-doers from running amok; under a bad system even good people will be unable to do things well and may, in fact, move in the opposite direction’(Deng 1994 [1980]:). What Deng meant here was that Mao’s wrongdoings had to be understood in the context of poorly defined institutional roles and weak institutional constraints with regard to the Party leader.

In terms of accuracy, there is nothing wrong with Deng’s assessment that the root of Mao’s transgressions and abuses of power had institutional causes. Nonetheless, here we are more interested in the strategic function of such an assessment. From such a perspective, this *depersonalization* of causes for China’s predicament was effective in avoiding an open conflict with past heroes and thus effective in *limiting the manoeuvring space* of the party conservatives.

Deng’s reformist narrative – i.e. the notion that Marxism was about some type of mechanistic approach to development and that Mao was a pragmatist – was unconvincing, to say the least. However, his background argument – let us leave the past in the past - was appealing, especially for those who were noted as being Mao’s supporters. They were not excluded from the reformist processes.[161] Ambiguity was another factor that made Deng’s discourse on change appealing**.** As few of the Chinese communists believed that ‘victory was near’, Deng’s project appeared as the ‘life-boat’ they needed. Personal wealth, a strong independent China, a road to democracy, preserving the dictatorship of the proletariat – each of these demands seemed *compatible* with Deng’s four modernisations.

Deng’s ambiguity can be found not only in the way he framed his reformist initiatives but also in how he labelled himself:

> I am a reformist; this is correct. If you say upholding the four cardinal principles is conservative, then I am a conservative as well. To be more exact, I am a zhishi qiushi pai (pragmatist). (1993:209)

Thus, he was a ‘catch- all’ actor in whom everyone could find something to identify with. (Compare this to Gorbachev and his ‘new thinkers’– which was an exclusive club.)

Deng played this role with a certain depth and commitment**.** He would rarely defend the reformism policies in public, and at party meetings, he would qualify them as being experiments, as something yet to prove its feasibility (Vogel 2011). By framing his policy initiatives as ‘experiments yet to prove their correctness’, instead of the usual ‘great leaps forward’, Deng was rejecting the traditional methods of reform communism.

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[161] There were major personnel changes under Deng’s helm, but personal loyalty and ideological allegiances, or the lack thereof, was not the key criteria for promotion or demotion (for more on this, see Vogel 2011).

Looking past Deng’s deliberate ambiguity and self-proclaimed neutrality, the reformist policies were speaking for themselves, and they were telling a different, more concrete story: one about materialism, individualism and inequalitarianism. The conservatives recognised this, and they reacted appropriately. They organised conferences and criticised the reformist policies in a way that was expected of them – such policies were portrayed as betraying the revolution and heading the system towards collapse (for more on this, see Fewsmith 1994).

Deng, for the most part, had a simple method for dealing with such challenge: he would ignore such attacks. He did not attend the conservative- hosted conferences, nor did he try to respond to conservative criticism through the public media. ‘Not to argue about unresolvable principles was one of Deng’s guiding principles’, as one scholar would state (Naughton 1993: 99). Vogel dubs Deng’s method for dealing with political opposition to change as ‘Don’t argue, just push ahead.’ (2011: para 35.13). Deng, as discussed in Chapter 5, restrained himself from using the rhetoric of internal enemies of reforms, and of branding the conservatives as being enemies of reforms – until 1991-2.

Deng’s ‘non-presence’ in the debate made the reactionary rhetoric (to borrow Hirschman’s terminology) only half as potent. By this I mean to say that the elite conflict during the nineteen eighties in China took the form of a dispute over policies rather than over fundamental principles (see Harding 1987: 289; for more on the elite conflicts from Deng’s era, see also Fewsmith 1994).

The potency of the conservative rhetoric was further diluted by the economic reforms pursued under Deng**.** As part of the economic reforms aimed at reducing financial loses of the state during the nineteen eighties, the financial support for the party- controlled media outlets was decreased and the establishment of private media outlets was allowed (Pei 1994:155).

The private media outlets in China in turn played a pivotal role in offsetting the conservative rhetoric. They did so by diverting public attention to something new*: everyday life and the transformations taking place in the society*. Deng did not instruct the private media editors to counter the conservative rhetoric directly; instead, the private media outlets were profit-oriented ventures trying to attract an audience within the set constraints. Understandably, these outlets covered topics other than high politics. Nonetheless, their activities did well to counter the reactionary rhetoric**.** The Chinese people found the ‘trivial’ themes covered by the non-party controlled media more interesting than the ever-present big questions of principles and ideals (see Pei 1994 chap. 5). In effect, the conservatives with their narrative of 'treacherous activities' were speaking mostly to themselves.

In summary, Deng relied upon 'new interpretation of old rules', 'non-action', and 'ambiguity' in order to manage the conflict between the past and the present. With respect to the past, Deng was a 'subtle oppressor'.

It can be said that Deng had to resist the temptation to open the history books and had to justify and rationalise the past and the crimes of the regime because he was an accomplice in many of those crimes.[162] Nevertheless, roles and circumstances are not a constant in politics. The Cultural Revolution arguably changed everything for Deng. Two enemies of the proletariat were singled out at the start of the Cultural Revolution, one of them being Deng Xiaoping. For his 'revisionist' ideas, he was put on trial publicly and sent to labour camps, his brother committed suicide, and one of his sons was left crippled after an encounter with the Red Guards (see Vogel 2011 chap. 2; Pantsov and Levine 2015 chap. 15).[163] Such personal tragedies are the reason why the Chinese dissidents, intellectuals, and whoever else felt alienated by the Maoist state identified themselves with Deng, and saw him as being someone who could advance their interests and end Maoism (see Ruan 1994**.** Thus, if the Cultural Revolution period is taken as a referent, it is evident that Deng had a clear opportunity and personal motive, if there ever was one, to denounce Mao and frame his reformist appeal around that act. It appears that, depending on whether one uses the pre-cultural revolution period or the Cultural Revolution as a key referent, one can say two very different things with regard to the determinants of Deng's positioning vis a vis the past.

An alternative to seeking determinants in the past **w**ould be to recognise that one's principles, prejudices, and skills or (the lack of them) can also affect one's positioning vis a vis the past. From here, things should become clearer. Deng's contempt towards the unpractical (a constant not a variable) superseded whatever contempt he might have had towards Mao. Moreover, the role of a prophet, of someone who will tell the truth and predict the future, did not suit him. He was a manager, not a prophet.

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[162] Deng was known as 'Mao's pit-bull' at one point; accordingly, in terms of having blood on his hands, he would rate quite highly among the Chinese revolutionary generation (for more on this, see Pantsov and Levine 2015).

[163] Other elite members suffered during the Cultural Revolution. However, given that Mao wanted to make an example out of Deng, Deng's suffering gained much more publicity than that of other elite members.

To be more clear on such qualifications and distinctions: If we accept that time is the key variable in politics (Debray, 1975: 90) then the divergence between prophets and managers in politics can be stated as follows: The manager, unlike the prophet, is obsessed with the present. Deng's obsession with the present has been well noted. Pye, for instance, details Deng's 'tunnel vision' and 'single-mindedness in living in the present without dwelling on other times or places' (1993:437). Others point to his disinterest for seeking a theoretical basis for his actions (Ruan 1994). 'He was not a visionary' is another frequent remark (see Yung 1998). If we look past the normative dimension of such qualifications, they do indeed point to a certain preference by Deng as a reformer for dealing with the concrete, the here and now, rather than the abstract, then and there.

7.5 Gorbachev's choice: empowering the past

> You know I very much would like to link history and the contemporary times. We do not wish to do this in a superficial way. In reality we want to cross the bridge from Lenin, to link Leninist ideas and Leninist approaches and the events of those years with the issues of today.
>
> Gorbachev, 1987 (cited in Shakibi 2010: 159)

'Revolution by stealth' is not something to which Gorbachev can be related in a meaningful manner. Whereas Deng tried to downplay the radical aspects of his change project in his discourse, Gorbachev overemphasised them. Gorbachev renounced 'the piecemeal engineering of the past' and promoted his perestroika as being a set of radical and uncompromising measures (Gorbachev 1987: 54-55**).** Perestroika, in Gorbachev's interpretation, was a genuine revolutionary process (Ibid**.).**

A few remarks should be made here regarding the rhetoric of revolutionary change. The notion of change through revolution is effective in creating an *impression of change* with minimal effort. As Hirschman notes on this:

> The idea of revolution as a prerequisite to any progress draws immense strength from the very limited human ability to visualize change and from the fact that it makes only minimal demands on that ability. (1963: 254- 255)

In socialist systems, revolution is both about continuity and change; its political function is about bringing the party leadership closer to the people through political mobilisation against someone who exploits the labour – namely, the bureaucracy. We will turn to this nexus between bureaucracy and revolutionary rhetoric in the next section.

For the moment let us consider what Gorbachev rejected and what he replicated from the Soviet past under this revolutionary framework. A common interpretation of Gorbachev's reformist approach is that it was based upon 'highlighting the inadequate leadership of the past [post Lenin] and affirming the basic soundness of the system itself' (Strayer 1998:94; see also, Sakwa 1990: 123; Zubok 2007: 296). This is only a half-truth. It is true that Gorbachev's reformist approach was framed around destalinization (a rejection of lawlessness, rule by fear, and secrecy) and debrezhnevization (a rejection of nepotism, corruption, and economic stagnation). Nevertheless, it would be more accurate to state that instead of 'affirming the basic soundness of the system', Gorbachev tried to affirm the basic soundness of some previously untested (in the Soviet Union, at least) Marxist and Leninist ideas – e.g., 'socialist pluralism', 'all power to the soviets', 'democracy as a method of economic development'. From an institutional perspective, such ideas were no more than dead letters. Thus, Gorbachev's devotion went to the 'idea of socialism' rather than in the system in place (Freidin 1991 raises this point). In Gorbachev's words: 'The socialist idea is not just words intended to provide some sort of a symbolic link with the past, but an altogether clear representation of the future' (cited in Freidin 1990).

By using the term 'devotion', I do not wish to ignore the frequent claim by Gorbachev that his perestroika was about development through applying 'scientific methods'. Combining the two was in the spirit of scientific socialism. As Hirschman notes,:

> In spite of the ever-present moralistic undertone of his work, Marx's proudest claim was to be the father of ''scientific socialism.'' To be truly scientific, he obviously felt that he had to shun moral argument. True science does not preach; it proves and predicts. So he proves the existence of exploitation through the labour theory of value and predicts the eventual demise of capitalism through the law of the falling rate of profit. In effect, Marx mixed uncannily these ''cold'' scientific propositions with ''hot'' moral outrage; and it was perhaps this odd amalgam, with all of its inner tensions unresolved, that was (and is) responsible for the extraordinary appeal of his work. (1983:23)

(Hirschman speaks here of Marx's appeal as a social scientist; nonetheless, that charm of Marxism did not end with the academy.) Gorbachev's commitment to the 'socialist idea', his claim that 'perestroika means a resolute shift towards scientific methods' (Gorbachev 1987:35) and his habit of enacting policies on a national level without ever conducting feasibility studies can be understood as being an extension of that amalgam described by Hirschman.

Gorbachev’s involvement with history had another, less subtle dimension. Under the banner that communists always, and under all circumstances, want the truth (Gorbachev 1987; see also Sakwa 1990:66), exposing past abuses of power was given *centrality* within his perestroika. Not only individuals (e.g. Stalin and Brezhnev) but the whole system of bureaucratic organisation was put within the frame of ‘deformations and deviations’ of a noble idea by Gorbachev (Sakwa 1990). Thus, whereas Deng tried to justify and rationalise the past crimes while also moving such a discussion to the *margins*, Gorbachev took the opposite route. Strategically, Gorbachev’s approach was equally if not more effective than Deng’s approach. With such a strong critique of the system, Gorbachev and his perestroika were already different, and different in a good way.

Gorbachev’s involvement with the past did not stop with historical revisionism. By promoting perestroika as being a revolutionary process (‘the revolution continues’ was his preferred terminology), he reached for the strategies of the past.

In some ways, Gorbachev recognises the destructive nature of revolutions: ‘Revolution requires demolition and demolition provokes conflict’, he would note (1987: 51-2). At the same time, he claimed that ‘it is precisely the measures of a revolutionary character that are necessary for overcoming a crisis or pre-crisis situation’, while also noting that ‘socialism is capable of revolutionary changes, because it is, by its very nature, dynamic’ (Gorbachev 1987: 51) This type of reasoning – demolition and conflict as a way of overcoming a ‘pre-crisis’ situation- was perfectly sensible within the communist ethos, and it seems nowhere else.

It appears that this revolutionary approach was not in line with contemporary trends. By the time Gorbachev became General Secretary, ‘[the idea of] communism had been secularised to offer no more than a pragmatic approach to solving the problems of development and society’ argues Sakwa (1990:29). ‘The Soviet system produced a ruling group whose members were generally well-educated, ambitious, pragmatic, opportunistic, and materialistic’, note Kotz and Wier (2007:32).[164] Perhaps these interpretations overstate the role of pragmatism in Soviet affairs and exaggerate the profile of the new generation party cadres. [165] It is certain that Gorbachev did little to recognise these opportunistic and materialistic tendencies, and even less to align his change initiatives with them. Instead, he would place emphasis upon truth and honesty.[166] In this regard, his perestroika was not in accordance with the times.

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[164] The initiative to move the process of institutional redesign in more practical directions, and even to ‘be more like China’, was there. Nonetheless, Gorbachev would remain undeterred by such pressures.

[165] The new generation of party cadres definitely differed from the old; however the CPSU was not a business school to produce cadres of such profile.

Gorbachev was a prophet, not a manager – more concerned with the past and the future, than with the present. This disposition has been noted. Gorbachev ‘liked the high ground of policy, but he became bored with the nuts and bolts of policy implementation’, writes McCauley (1998: 276). Zbukov brings to attention ‘Gorbachev’s aversion to the practical details of governance’ (2007: 313). It can be added here that this holistic approach, whereby principles are kings and details are unimportant, was another way in which Gorbachev replicated the past.

In summary, not only did Gorbachev borrow labels from history such as ‘glasnost’ and ‘perestroika’; instead, his reaching for the past was more substantial, and was comprised of replicating the methods and reasoning regarding some typical reform problems.

It is often argued that Gorbachev’s conduct as a reformer (in particular his disposition to reduce the challenge of reforms to politics) was a reflection of constraints rather than a choice. The argument, in short, goes as follows: perestroika was revolutionary in nature (see Gorbachev 1987; Mau and Starodubrovskaya 2001), and precisely the existence of insurmountable obstacles to reforms (e.g. an ‘entrenched bureaucracy’ and the vested interests of the *nomenklatura* in the status quo) had confined Gorbachev to taking the revolutionary route. ‘Gorbachev moved in more radical directions once it became apparent that the reformist approach had exhausted its potential’, argue Mau and Starodubrovskaya (2001:138).

This may be a case of mistaking the symptoms for the causes (by using reasoning by analogy). The reasoning goes as follows: As they do not have access to state resources, revolutionaries try to solve socio-economic problems through political conflict; and given that Gorbachev employed the revolutionary rhetoric, he also did not have the desired control over state resources.

The aim here is not to directly refute the soundness of such reasoning but to point to the soundness of the alternative proposed here**.** As mentioned in the introduction to this chapter, one of the duties of political leaders during reforms is to interpret the obstacles to change; they can manipulate those obstacles either by presenting them as firmer or as more flexible than they actually are. The former (i.e. the one adopted by Gorbachev) is a *conflict-seeking* strategy; it places the focus upon the politics of reforms and is *dependent* upon creating perceptions of the presence of insurmountable obstacles and strong political opposition in order to be effective. Furthermore, if reasons are needed as to why Gorbachev adopted such strategy, one needs to look no further than Marxism and the ethos of communist reformers.

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[166] Gorbachev would explain the essence of his change project as follows: ‘Each bureaucrat in his place must work efficiently, conscientiously, and honestly. This is perestroika. They keep asking, “What is this perestroika? What is this perestroika?” Do your work honestly. That is the main point of perestroika.’ (cited in Shakibi 2010:262; see also Gorbachev 1987).

Marx promoted the idea that socio-economic problems could be resolved *only* through political means (i.e. political revolutions), and this line of reasoning was preserved by communist leaders, even though they were no longer outsiders but state managers. This way of doing things –manufacturing political conflicts, winning political battles and hoping that this would somehow provide resolution to systemic problems – was the key reason why reform communism was failing consistently. At least, that was the reason according to Deng. To discuss a further point here, whereas scholars such as Kornai (1992) identify the issues with reform communism on a systemic level (reform communism does not work because it cannot work, is the essence of Kornai’s argument here), Deng saw those issues as emanating from having the wrong strategy for reforms.

When Deng argues that ‘destruction’ is not the same as ‘creative destruction’ and that mass movements are a poor substitute for solid systemic measures, he does not speak about some particularity of China but about some general *disposition* among communist reformers and its downsides. It is permissible to see Gorbachev’s revolutionary approach (i.e., mobilising political enthusiasm and using conflict and demolition as a way of overcoming a ‘pre-crisis’ situation) as a function of that disposition (as opposed to being a rational reaction to the political or institutional constraints to reforms present in the Soviet Union). From this perspective, Gorbachev was not powerless but instead able to rise above the system and recognise its rotten foundations; instead, he was a product of that system (in the sense that motivation rushed ahead of an understanding of the challenges of reforms) and he was empowered, first by the consensus and expectation on change and secondly by the prestige of his office.

To summarize, Deng’s and Gorbachev’s efforts to relate the past to the present diverged in three ways.

- As much as Deng tries in his discourse to downplay the radical aspects of his change project, Gorbachev overemphasises them.

- Unlike Deng, Gorbachev does not quote the authorities ‘artfully out of context’ but tries to find the essence of Marxism-Leninism (see Volkogonov 1998; Gorbachev 1995). [167]
- Lastly, if Deng moves past ideas and past practices at the *margins*, Gorbachev ascribes *centrality* to them: he located both the problems as well as their solutions in the past.

This contrast, as we shall see in the next two sections, translated into the different attitudes of the two leaders towards the problems of bureaucracy.

7.6 Deng’s choice: ‘buying’ the bureaucracy

> From now on, all matters within the competence of the government will be discussed and decided upon, and the relevant documents issued, by the State Council and the local governments concerned. The Central Committee and local committees of the Party will no longer issue directives or decisions in such matters.
>
> Deng, 1980

By communist standards, Deng’s framing of the issue of bureaucracy and bureaucratism was unorthodox. The problem, according to Deng, was not the bureaucrats themselves but the dual-hierarchy system, the lack of know-how, the lack of ‘proper’ incentives, and the political and ideological criteria that the bureaucrats had to adhere to in their daily activities. Conversely, he reasoned that, given the right incentives and the right adjustments to those broader frames, the state bureaucracy could be turned into a friend of reforms. The question of how Deng used the tools at his disposal – i.e. discourse, policies and the appointment decisions – so as to manipulate the problem of bureaucratic inertia is detailed in the pages below.

He did criticise bureaucratism, but spoke of the problem as being structural or institutional. As he would argue, ‘of course, bureaucracy is also connected with ways of thinking, but these cannot be changed without first reforming the relevant systems.’ (Deng 1980: 238). (Deng displays a consistency here in the sense that, in his narrative, this ‘unsound system’ corrupted not only Mao but also the Chinese bureaucrats.) Accordingly, the official label of the bureaucratic reforms of 1982 was: ‘Revolution in administrative structure, but not against any persons’ (Lee 1990: 254).

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[167] Gorbachev claimed in 1995 ‘I trusted Lenin and I still do’. It is difficult even today to find an interview where he fails to quote Lenin.

What Deng did not say or do is as important as what he did say. Deng was willing to leave control over the party microphones to others. This was so because he had nothing to campaign against. To summarize: according to Deng, mass campaigns – which in socialist systems had one and the same theme: criticising the bureaucracy – and seeking developmental policies were incompatible tasks.

Deng’s use of the ‘buying’ method becomes more apparent when we consider the second instrument at his disposal – policy. By ‘buying’ here I mean incentivising or compensating actors for their expected losses from the processes of allocation of resources and opportunities, usually through a policy decision. It is equally important to clarify what I do not mean by buying, and that specifically is bargaining. ‘Bargaining’ usually refers to a process where parties with mutual veto powers will meet half-way, resulting in ‘second-best approaches’ to policymaking, and by extension, in incremental or evolutionary types of changes (see, for instance, Dahl and Lindblom 1953). While such processes, as has been noted by several authors, were constitutive of the transformation of China (see Naughton 1996 and his concept of a ‘bilateral monopoly’; Shrink 1994 and the’ ideology of balancism’ Lampton 1992: 40-55), Deng’s leadership is better understood as being something which provided the frames for such processes**.** He provided the ideational framework in which the other actors bargained, and sometimes, when an agreement between the bargaining parties could not be reached, he acted as the last resort. Deng, to borrow Blondel’s (1987) terminology, entered into highly inequalitarian relationships with other interested parties. On important policy matters, he was capable of acting unilaterally; while engaging others, instead of bargaining, he preferred giving with one hand while taking away with the other hand. Perhaps an example will suffice here so as to explain the difference.

The army reforms are briefly considered below for illustrative purposes. From one perspective, the army was set to become the biggest net loser of the reallocation of state finances in China during the early nineteen eighties. Under the principle of ‘cutting non-productive spending’, starting from 1980, there were drastic cuts to personal and defence expenditures. [168] This trend continued throughout the nineteen eighties.

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[168] In comparison, Soviet military expenditures had reached an all-time high during Gorbachev’s era.

> As the Chinese budget as a whole has grown, defence expenditures have shrunk from approximately one third of total state expenditure in 1978 to about one fifth in 1987. The share of gross national income in the same period declined from 12 percent to 5 percent. Pollack 1992: 170-1

To compensate for such losses, Deng devised a new role for the army. The army was encouraged to provide civilian services, to use its infrastructure (airports, facilities, human resources) for commercial purposes such as commercial flights, tourist services, production of furniture, etc. It is important to note here that the army did *not* ask (nor wanted) to engage in profit seeking activities; instead, Deng instructed it to do so. (For an extensive overview of the army reforms and Deng's personal role in this process, see Vogel 2011 chap 18; see also Cheung 2001). With regard to the Chinese army, neither the losses nor the compensation can be properly understood as being incremental or evolutionary changes. *There were unprecedented cuts to army spending while the army acquired a radically new function.*

Thus, 'buying', which unlike 'bargaining' does not connote evolutionary changes and can accommodate the transformative nature of Deng's policy decisions, seems the more appropriate label in this instance.

Deng was consistent in applying this approach – that is to say, taking away with one hand while giving with the other**.** The retired public officials, for instance, were allowed to be part of consulting commissions while maintaining their material privileges.[169] Bureaucratic organisations were also co-opted. Two currencies were used to incentivise the bureaucracy: 'economic incentives' and 'power'. The autonomy of the bureaucratic organisations was increased by abolishing some elements of the dual hierarchy system. By the mid- nineteen eighties, the Party had eliminated those offices parallel to the functional departments of the government (Gore 1998: 88). Some ministries were transformed into state-owned corporations; others were elevated in their status and became commissions.[170] Like the army, the government units were encouraged to set up commercial enterprises – first tentatively, and then after 1992, there were specific Party directives on this matter (see Miles 1996: 163).

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[169] Deng's remedy here was an old one.' In 1963 the Secretariat of the CCP under Deng Xiaoping proposed that old and feeble cadres with the ranks of vice minister and provincial secretary be allowed to retire while still retaining all their political and economic privileges' (Lee 1992: 232). As usual, looking further in history provides a counterweight to the narrative that Deng's reform ideas were simple reactions to the situation created by the cultural revolution, or the power constellations created by Hua's overthrow.

[170] The organizational hierarchy in socialist systems puts commissions above ministries.

Unlike the army, the size of the state bureaucracy did not decrease but rather the opposite occurred.

> As far as the size of the bureaucracy is concerned, the reform is a "total failure," particularly at the provincial level and below. After the reforms, the overall number of cadres increased from 20 million to 21 million and then to 29 million in 1988.The increase in cadre size pushed up administrative expenditures from 4.2 per cent of the total government budget in 1978 to 6.8 per cent in 1982, 7 per cent in 1983, and 8 per cent in 1985. (Lee 1990: 271)

Such quantifiable trends were the most external feature of the transformative processes enacted within the Chinese state administration. Two new principles governed the cadre policies in China under Deng: one was ‘entrance first, and exit second’, and the other was shifting the focus ‘from virtue to performance’ (Lee 1992: 273; 279-83). The plan was for the new appointees to become a majority in their administrative units and eventually replace those old members whose knowledge and expertise was not in accordance with the times. At the same time, career advancement opportunities based upon economic performance were introduced. As there was no career advancement ceiling, those new appointees would quickly infiltrate the highest party organs. With this, the bureaucratic reforms addressed a more contentious issue: how to push aside those who essentially lost their purpose once ideology was moved from the centre to the periphery and were unskilled in dealing with the requirements of the new era (see Lee 1990:235-45). This ‘silent’ transformation, therefore, was not just about the state bureaucracy but also about the Party.

In summary, Deng deployed his resources – discourse, policies, and control over cadre appointments – in order to co-opt and transform rather than isolate or confront the regular bureaucracy.

What were the immediate (policy) consequences of this buying approach? For one thing, it secured that those organs responsible for implementing reformist policies were neither disenfranchised nor antagonised by the reforms underway. Stated differently, the bureaucratic actors had much to hope for and little to fear from the processes of reallocation of resources and opportunities. By extension, the feedback loop between the deciders and the implementers was not poisoned by distrust, and this would improve the capacity of Deng and his team to perform the basic calculating function.

The other issue is that Deng enabled himself here to pursue radical economic policies (or to apply economic criteria to economic problems). Unlike Gorbachev, who, as will be detailed in the next section, was stuck with traditional goals such as ‘increasing social justice’ and ‘developing the welfare state’, Deng was able to take more decisive and more radical measures on the economic plane.

The price liberalisation reforms are illustrative of Deng’s commitment to applying an economic logic to economic problems. It is generally accepted that the most important and most difficult market reforms are price reforms. ‘In socialist countries, where shortages of goods are normal phenomena, free price setting inevitably leads to inflation’ (Lee 1990: 421-2; see also, Kornai 1992). Communist reformers were unwilling to adopt policies that could lead to inflation because they were fond of mass campaigns– the two phenomena together present a particularly toxic mix. Deng did not campaign and by extension did not face this typical problem. Instead, in the mid-1980s, Deng pushed repeatedly for more rapid growth and reform. In 1988, ‘a period in which inflation pressures were already building up in the economy’, Deng came to the following conclusion: ‘We now have the requirements to risk comprehensive wage and price reforms’ (in Naughton 1993: 506). On this point, he was in agreement with no one (Baum 1998 425; see also Vogel 2011 chap. 16). Deng, as discussed in Chapter 5, did commit a blunder by enacting such a policy. What is more important for the moment is that *he tried to apply economic logic to economic problems in moments of great political turmoil*.

Let us now turn from the immediate to the long-term effects of Deng’s effort to co-opt the bureaucracy. The question that arises here is ‘Were the ways of the Chinese bureaucracy transformed due to Deng’s era reforms?’ Deng’s successor, Ziyang Zemin, would voice the following concern in 1992:

> At present, the overstaffing, overlapping and inefficiency of many Party and government organisations cut them off from the masses and so greatly hamper the efforts to change the way enterprises operate that there is no alternative to reform. (Jiang Zemin's Report at 14th Party Congress no. 43 October 26, 1992)

He identifies the same problem and uses the same terminology as Deng did a decade earlier (see Lee 1990: 366-369). Thus, when it comes to bureaucracy in China, it seems that ‘nothing ever changes’.

To pick up on a previous point, according to Hirschman, one of the key weaknesses of the ‘stealthy style of change’ (i.e. the roundabout approach or ‘revolution by stealth’) is being too clever and at the same time not clever enough. It deceives not only those who oppose change but also the rest of the audience. The issue here, as Hirschman puts it, is that *institutional changes move faster than the perceptions of change* and the actual institutional changes often remain unrecognised as something radical (1970:359). If we accept that Deng was a devotee of this stealthy approach to change, then this ‘nothing ever changes’ perception can be seen as being something that comes with the package.

If we look past the *perceptions of change*, however, we can say with confidence that the Chinese bureaucracy was indeed transformed during Deng’s era. Two particular transformations can be noted. The seeds for the phenomenon known as ‘bureaucratism entrepreneurship’ were planted during Deng’s era (Gore 1998: 87). Although the Chinese ‘nomenklatura system’ was not completely abolished, after the reformist period it came to co-exist with another new, and radically different, system: the ‘meritocratic system’ (for more on the establishment of the meritocratic system in China and Deng’s personal role in the process, see Vogel 2011; see also Nathan 2003).

Before concluding this section, we should briefly discuss Deng’s choice not to vilify the Chinese bureaucracy. Deng had made a series of choices beforehand that made such a direction reasonable. First, he chose not to engage in ‘permanent purges’, and second, not to engage in constant campaigning. To reiterate, mass campaigns and anti-bureaucratic rhetoric invariably go hand in hand in socialist systems.

Some scholars see Deng's decision not to campaign as an extension of some grand forces– culture, in particular. While explaining Deng’s methods, Lucian Pye observes the following: ‘Deng could have severely set back his political opponents by openly attacking them with the novel power of television, but he never made such a public move’ (1993: 414). Pye explains this in the following terms: ‘Chinese political culture traditionally operated on the premise that omnipotence lies in the mystery which invisibility evokes,’ and ‘Deng's style of behind-the-scenes leadership and his non-use of television was indeed an extraordinary example of the supremacy of culture over both structure and rationality in responding to new technologies’ (ibid.). Stated simply, Deng’s leadership, according to Pye, was a vessel through which Chinese culture carried out its causal work.

Deng was doing something else that was as equally peculiar as his non-presence in the media. He would ‘step back and allow the appointee to perform’ and ‘leave lesser officials to solve problems on their own’ (Pye 1993). The very idea of stepping back and leaving lesser officials to solve their problems was antithetical to the communist approach on development. The central premise of communism, as it existed throughout the 20th century across half the globe, was that those actors found at the top possess a unique understanding of the complex inter-relation among different variables, and that, through ‘theory’, planning, and directives, they can produce the desired social outcomes. Deng's 'art of governing' was not only anti-communist but also a '*very untraditional Chinese practice*', according to Pye (1993: 424; emphasis added).

Thus, according to Pye, Chinese political culture overlooked Mao and Hua Guofeng, and chose Deng as a vessel to do its causal work. Deng's behaviour in turn was traditional in some ways (he practised behind- the- scenes leadership) and untraditional in others (he delegated authority and did not prioritise personal loyalty while making appointment decisions). While possible, (Deng was a complex figure), it seems that the' culture' argument is overly complex. The alternative offered here is simpler while remaining logically and empirically sustainable.

Let me reiterate the alternative view favoured here. Deng's approach was based upon *rejecting the traditional communist methods***.** Stated differently, rather than being a reflection of Chinese culture, Deng's refusal to rely on propaganda – and the more important background issue here, not to engage in mass mobilisation– can be better understood as being a *deviation* from the typical communist way of approaching the problem of institutional change.

7.7 Gorbachev's choice: 'coercing' the bureaucracy

> We should not permit a ministry or its apparatus to be idle or worse, to impede the restructuring. **…**·this concerns the interests of the state and the people, questions of big time policy. It is appropriate to recall here Lenin's words that an apparatus exists for a policy and not a policy for the apparatus.
>
> Gorbachev January 27, 1987 [171]

According to Gorbachev, the Soviet state bureaucracy stood between the people and the party - it gave the Party a bad name (see Hanson 2000: 223; also, Mlynar and Gorbachev 2002: 69-73). Moreover, it prevented real change by promulgating 'bureaucratic drift'. In his own words:

> The ministries, in their present form… have no interest in the economic experiment … [They] have vast experience and ability in swaddling up everybody and interpreting the decisions of the central Committee and the government in such a way that after their application… nothing is left of them. (Gorbachev cited in Haugh 1985 :42).

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[171] "On Reorganisation and the Party's Personnel Policy" delivered to the plenary session of the CPSU Central Committee, January 27, 1987, TASS in English, January 27, 1987.

Routines and habits were *not* considered by Gorbachev as being the root of this problem. Instead, he saw the bureaucracy as a strategic actor which was trying to promote its own, independent agenda and protect its (status quo) interest. He persisted on this position even after the collapse of the Soviet Union.

> The main opposition to our ideas came from the heads of ministries and agencies, firstly the general economic agencies – Gosplan, Gossnab, Minfin, and the government apparatus. Later the opposition joined ranks with the Party bureaucracy. Needless to say, no-one was so bold as to speak out openly against reform; everyone was 'for' the reform process, but many offered half-hearted, ambiguous solutions that left many loopholes and sometimes even a direct opportunity for a roll back to the past. Unfortunately I had clashes with Ryzhkov [The Prime Minister] on a number of issues. I could see that he was under strong pressure from his former fellow industrial managers, who were continuously planting an insidious idea: 'The government is required to ensure effective management of the economy and at the same time the dismantling of the plan system is robbing it of the means of control'. (Gorbachev 1995: 227)

This idea that Gorbachev propagated vigorously and continuously– i.e., that the bureaucracy is a well organised and insidious creature bent on obstructing reforms or an 'enemy that must be defeated for the sake of collective progress' – was an old idea with an enduring appeal. That appeal came from the appropriateness and multifunctionality (as opposed to the correctness) of the idea. How Gorbachev used the tools at his disposal – the discourse of change, policies and appointment decisions – in order to 'coerce' the bureaucracy and isolate it from the reformist processes is detailed below.

The first type of pressure for the Soviet state bureaucracy came from glasnost. From one perspective, Gorbachev's glasnost was a progressive policy, oriented towards transforming the state-society relations by liberalising the public discourse and allowing access to non-state actors in the political arena. From another point of view (i.e. concerning the bureaucracy), glasnost was a traditional control mechanism. 'Bureaucracy' was the key theme on which glasnost opened the channels of communication between the party and society. Within glasnost, the problem with the bureaucracy was framed as follows: Stalin, who deformed the revolution during the 1930s and 1940s, created this issue (*Moskovskaya pravda*, May 7, 1987) and Brezhnev perfected it (see *Pravda*, March 13, 1987, also, Kotz and Wier 2007:105). The 'problematic bureaucrats' were those who operated too low down for the party leadership to be able to control them but stood above the productive and progressive social forces. They were to be found predominantly but not exclusively within the state apparatus (i.e. Gosplan and the ministries). They were superfluous, dulling the revolutionary spirit, and sabotaging perestroika. (The narrative that the bureaucrats were sabotaging perestroika started as early as

1986.) On this issue, according to Gorbachev, there was no room for compromise. The choice, according to him, was either to curtail the power of the bureaucrats or to continue on the path of regress. This was a rather peculiar and rigid frame. According to such an interpretation, the problem with the state bureaucracy was created under the influence of bad leaders (i.e., Stalin and Brezhnev). Also, according to this narrative, the problem with bureaucracy suddenly stopped at some point in the power hierarchy. (However, if procrastination, not matching words with deeds, 'cooking the numbers' for narrow political purposes and similar practices are indicative, then the phenomenon of bureaucratism arguably went all the way up to the General Secretary.)

Those who did not support the idea that the bureaucracy must be defeated for the sake of progress were labelled as being 'narrow minded', 'panic mongers' who 'did not understand perestroika'. Most supported it. Investigative journalists, the radical intelligentsia, the new party ideologues, and the members of the new political elite such as Yeltsin, were banging the same drum as Gorbachev.

'The present system is characterised by an obvious hypertrophy on the middle level and a relative weakness on the lower and, to some extent, on the higher level', argued one of the key theoreticians of perestroika (Zaslavskaya, cited in Hough 1985:43). Another Soviet intellectual would qualify the state bureaucracy as being 'the most organised, the most stable and the most *politically conscious* force in the society' (Ryavec 2003: 93; emphasis added). Another intellectual would argue the following:

> What does our society need most of all today? I think we have to change the division of labour that has crystallized, where one part of the population is narrowly specialized in the production of national wealth and the other in disposing of it. What is this 'other part'? The exceedingly large administrative apparatus at all levels of management and in all spheres….. For clarity's sake, in speaking of the unproductive sphere, I have in mind, of course, not the teacher, but those who hinder the teacher in teaching; not the doctor, but the superfluous bureaucrat of the Ministry of Health… (Lisishkin cited in Mandel 1988: 137)

Two details warrant attention here. First, different state and non-state actors spoke with the same voice on a rather complex issue; second, most of them were affiliated with Gorbachev.

It is true that some elements of this interpretive framework, particularly the dichotomy of exploiters-exploited, preceded Gorbachev's perestroika (see for instance Zaslavskaya's *Novosibirsk report* from1983). [172] However, those societal actors were working within the given political constraints. By this I mean that they were criticising what they were able to witness and, more importantly perhaps, what they were allowed to criticise.

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[172] Gorbachev was the first Soviet leader to openly clash with Gosplan in 1982 (see Ellman and Kantorovich 1998).

Thus, while the antagonism towards bureaucratic actors was present even before perestroika, it was Gorbachev who gave momentum to this sentiment and in some ways directed popular discontent away from the current Party leadership and the socialist system. 'Bureaucracy' for Gorbachev becomes a melting pot where Stalin's cult of personality, Brezhnev's cronies, failures of the perestroika policies and the alienation of the citizens from the Party were placed.

Gorbachev used the other resources at his disposal in order to 'coerce' the bureaucracy, and with the same excess. The administrative reforms under perestroika were geared towards curtailing the powers of the state bureaucracy in three ways. First, there were the 'permanent purges'.[173] Over the course of perestroika, Gorbachev would replace the leadership of most bureaucratic agencies far more than once. By early 1987, 'all leading institutions in the economic hierarchy, and a good portion of the ministries were headed by new appointees', notes Hewett (1988: 311–12; see also, Sakwa 1990: 274). Next, there was a recentralization of planning by creating 'superministries' (e.g. Gosgoplan) and staff reduction. Gosplan's staff was reduced by one third after 1988 (Aslund 1991: 336) and most ministries lost about one third of their staff during the 1985-88 period (Amodio 1993: 229). At the same time, policies such as the Law on State Enterprises would (formally) detach Gosplan from its control over the SOE's.

In summary, more Party control over the bureaucracy and less bureaucratic control over the socio-economic processes – this was Gorbachev's preferred remedy for dealing with the problem of bureaucratic inertia and drift.

Was Gorbachev responding to this problem in the only way possible? Was the dichotomy either to curtail the power of the bureaucracy or to continue on the path of regress warranted? Was the Soviet bureaucracy a strategic actor? Many analysts contend that it was. 'Bureaucracy absorbed the state' according to Lewin (1991: 240). Hough sees the Soviet ministries as being 'independent baronies, operating under a weak king' (1995:43). Gorbachev in his *Memoirs* claims that he had to confront the state bureaucracy (1995:230). It remains a fact however that the claims of *intentional* bureaucratic resistance to Gorbachev's reforms are often asserted but seldom proved (Elman and Kontorovich 1998:22).

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[173] Brzezinski (1956) introduced the term 'permanent purges' to describe Stalin's cadre policy.

The more important issue at hand is *not* whether the Soviet bureaucracy was resilient to innovation but whether (and to what degree) that resistance shaped the impotence of the policies of perestroika. During the 19th Party Conference, Albakin (by no means an enemy of perestroika, or a layman on the topic of economic restructuring) offered the following view on this issue:

> In discussing the reasons [for our failures], we often merely skate over the surface, reducing everything to resistance by the bureaucratic apparatus and certain officials. The causes are considerably deeper and more serious than that. We should start with the fact that when the Twelfth Five Year Plan was being drawn up, the concept of simultaneously ensuring quantitative growth and qualitative transformation was adopted. From scientific point of view, these tasks are incompatible. (cited in Hewett et al 1991: 231)

The five-year plan to which Albakin was referring to, as mentioned elsewhere, was brought about by Gorbachev's insistence and despite resistance from Gosplan (see Ellman and Kontarevich 1998). To expand on Albakin's reasoning: Perestroika had a design problem from the start (i.e., incompatible goals) and the subsequent narrative of bureaucratic sabotage was in part a convenient cover-up for the flawed policy design.

Gorbachev's fascination with the methods from the past is arguably the other key determinant of his decision to coerce the Soviet state bureaucracy. When Gorbachev spoke about the necessity of more party control over Gosplan (see Sakwa 1990), he was repeating a passage from history. Khrushchev before him pushed for the Party to exercise more effective control over Gosplan (Kibita 2013:109). When Gorbachev spoke about the necessity for more control of the bureaucracy from below, he was reaching into Stalin's territory. 'We must rouse the vast masses of the workers and peasants to the task of criticism from below, of control from below, as the principal antidote to bureaucracy', Stalin would argue (1952: 138).

Attacking the bureaucracy was politically appealing as it allowed the party leadership to stand on the same side of the fence with the public in the struggle against 'the real enemy'. Those anti-bureaucratic campaigns, in other words, were never *only* about the bureaucracy; they were also about finding a common cause with the people.

Lastly, the Soviet state bureaucracy was an *easy target*. It did not enjoy public trust and functioned on borrowed authority. Gorbachev, therefore, was not doing something risky or ground-breaking with his anti-bureaucratic campaign; on the contrary, *he was popularizing a collective* sport that was somewhat neglected under Brezhnev.

Thus, the idea that Gorbachev had to attack the Soviet state bureaucracy (while convenient in that it allows us to consider Gorbachev's conduct as a reformer through the prism of constraints) is not without some plausible alternatives. The alternative suggested here is that Gorbachev had identified the Soviet state bureaucracy as being an enemy to be defeated because 1) it was *appropriate, 2) politically useful, 3) and easy*. Jumping across such possibilities and saying that Gorbachev's behaviour was orientated towards the bureaucracy was a reaction (or the only possible reaction) to the nature and strength of the Soviet bureaucracy seems arbitrary.

What were the actual consequences of this 'anti-bureaucratic revolution'? In the short term, there were some evident political benefits. As Sakwa notes, 'Gorbachev's personal legitimacy was immediately high, and to a degree in his first years he was able to restore a greater sense of legitimacy to the system as a whole' (1990: 160). In the policy arena, however, some less fortunate trends were taking place.

Gorbachev's anti-bureaucratic campaign occurred during an intense policymaking period – the number of Party decrees, and later, presidential decrees was at an all-time high during perestroika. Thus, the apparatus which had to carry out the policies of perestroika, give reports on plan fulfilment, and feedback on the feasibility of the new policies was at the same time publicly denounced, destabilised by constant personal turnaround, and curtailed in its power.[174] The direst consequences of Gorbachev's anti-bureaucratic campaign relate to information and misinformation. In 1988, in preparation for the 19th Party Conference, Gorbachev boasted that 'In the first 2 years of the current 5-year plan, real per capita income increased by 4.6 per cent' and that the 'national income is increasing more rapidly than envisaged by the plan' (Gorbachev 1988a). The conclusion of the Conference (July 1988) goes as follows: 'The country's slide towards economic and socio-political crisis has been halted'. This suggests that the party leadership, at that point, was unaware of the impending economic calamity (Aslund 1991: 347).

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[174] 'The ministerial bureaucracy found itself in the unenviable position of being denounced while at the same time given the responsibility for implementing reforms', notes Sakwa (1990:304-5). The bureaucracy was instructed not only to implement the policies but to translate the vague ideas on 'improving social justice' in reality (Hewett et al 2010: 226).

What was the root cause of this lack of awareness about the actual economic trends? Maybe the bureaucrats fed the party leadership the wrong information or maybe Gorbachev did not want to trust those who were dubbed as being saboteurs of perestroika. What is certain is that the communication channels between the decision makers and those responsible for implementing those decisions were plagued with distrust. The alternative source of information that Gorbachev came to rely on as a reformer would, arguably, not bring him closer to recognising the realities of perestroika. Reminiscent of Mao's 'mass line' approach, [175] Gorbachev would adopt the doctrine that every policy that enjoys public support is feasible. Gorbachev relied extensively upon the mass media for information about which policy was supported by the public (that is to say, which policy was feasible) – he cited the same source in order to prove the bureaucratic resistance to change. It seems that a vicious cycle developed here in the sense that *the Soviet mass media were validating Gorbachev's beliefs about 'bureaucratic sabotage' while inflating public support and the social benefits of perestroika and Gorbachev with his public speeches was validating such media stories.*

The other consequence of Gorbachev's choice to coerce the bureaucrats was more indirect but no less important for that. The distrust in the bureaucracy was coupled with an excess of trust in the Soviet worker. 'The workers should have a real means of influencing the choice of director and controlling his activity…We need the maximum democratization of the socialist system so that the individual feels himself master and creator. . . Only a person who feels himself master in his house can put it in order' (cited in Mendel 1988: 144; see also Gorbachev 1987: 83; Sakwa 1990: 296).

Concerning enterprise efficiency, the effect of this effort to make the worker the true owner of the means of production was somewhat expected: The problem was replicated and amplified. I say expected because the underlying causes of the state enterprises' inefficiency were not rooted in the Soviet workers-managers (or enterprise-government) relationships but in the broader cultural and institutional frames in which such relationships occurred.

Next, Gorbachev tried to strengthen public enthusiasm for his perestroika by promoting goals such as 'increasing social justice' and by increased spending on welfare programs. Consistent with this, his position on sensitive issues such as employment and prices formation remained conservative. ‘We must ensure social guarantees for employment of the working people, for their constitutional right to work…The socialist system has such opportunities.’ (Gorbachev 1987b:59). Gorbachev spoke occasionally about the importance of price reforms. In June 1987, he would come up with the claim: ‘Radical reforms of price formation is the most important component of economic restructuring’ (in Cook 1993:102). However, in reality, he never missed an opportunity to miss an opportunity regarding price reforms. During a Politburo meeting in 1986, for instance, Gorbachev argued the following:

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[175] Mao's 'mass line' principle was as follows. 'All work done for the masses must start from their needs and not from the desire of any individual, however well-intentioned' (Mao's *Selected Works* Vol III 236-7; see also 315). Basically, it was an ideology of policymaking where every policy supported by the public was seen as feasible. The mass line was envisioned as a substitute for 'market information' regarding policy performance (see Wilson 1977: 1-8).

> Some are demanding a rise in prices. But we will not go down that road. The people have yet to gain anything from perestroika. Materially they have not yet felt it. If we raise prices we can imagine the political consequences. We discredit perestroika. (in Shakibi 2010:274)

His position on prices remained the same throughout 1989. In January, when confronted with proposals for price liberalisation, Gorbachev would state that ’when deciding questions about the formation of prices, we must not allow a lowering of the standard of living of the workers’. A few months later, he would conclude: ‘after discussion in society, we all arrived at the conclusion that now it is not necessary to touch [retail] prices’ (cited in Aslund 1991; *Pravda,* March 18, 1989).

Two details warrant attention here. First, Gorbachev’s key argument against enacting such reforms was that the issue of price reforms was not economic but instead socio-political (see Medvedev 1998). That price reforms impose certain political costs is a truism, however, Gorbachev’s reasoning that price reforms should not be pursued because they impose socio-political costs was reminiscent of Mao’s ‘mass line’ approach to policymaking. Second, someone was consistently proposing price reforms and Gorbachev was constantly blocking such proposals (until late 1990). Based on this reality we can infer that the claim that Gorbachev supported market reforms but his efforts were sabotaged by certain vested interest is more convenient than true. On this matter, instead of making a strong distinction between the liberal minded reformers and conservative forces, it would be more accurate to say that no one of importance in the Soviet Union believed in the positive potential of price liberalisation reforms – or that the benefits of such reforms can outweigh the costs. In summary, the absence of price (liberalisation) reforms cannot be taken as a proof of Gorbachev’s powerlessness but of his tendency to think in old ways on how policy should be made (while trying to achieve new things, such as reverse the trend of economic stagnation).

History repeated itself here in two ways. First, the communist tendency to apply non-economic logic to economic problems was replicated. Second, Brezhnev's policy blunders were also replicated. The declining economic growth rates under Brezhnev after 1970 did not occur *only* due to Brezhnev's emphasis on 'cadre stability' and 'policy stability' but also due to the Soviet leadership's commitment to further developing the welfare state (Hough 1985: 41). That commitment was kept as a goal by Gorbachev and, unfortunately, so were the trends in the economy. (While the economic decline which occurred during perestroika is not reducible to these two factors, they do constitute part of the story.)

It may seem here that I am trivialising the strength or the transgressions of the Soviet bureaucracy. Extortions, corruptive practices, not following directives from above, not taking perestroika seriously (treating it as another campaign that would soon pass) – these were all real issues. [176] However, the state bureaucracy did the same to Stalin – it consistently failed to follow his policy directives (see Fairbanks and Thornton 1990). It continued to act in the same manner even after the Soviet Union collapsed. As the Russian Prime Minister Victor Chernomyrdin would note: 'the bureaucrats remain a state unto themselves' (cited in Ryvec 2003: 98).

Having said that, the goal of Gorbachev's perestroika was not to defeat the state bureaucracy but to revitalize the Soviet economy and restore trust in the positive capacity of the institutions and the ideas of socialism. The measures taken towards attaining such goals, however, were of poor potential. I am referring here primarily to the dual emphasis upon 'growth' plus 'quality' in the industry, the 'anti-alcohol campaign', the Law on unearned income, and the Law on State Enterprises. Even in the absence of a 'bureaucratic blockage', it is inconceivable that these four policies would have produced some meaningful (intended) outcomes.

It could be argued that precisely those temporal and spatial inconsistencies of the policies of perestroika were the key reasons for the unresponsiveness of the Soviet state bureaucracy. To put this in more definitive terms: *it is not that the policies of perestroika failed because the bureaucracy was unresponsive to initiatives from above, but the bureaucracy was unresponsive because there was not much to respond to in a meaningful manner.* Repositioning cause and effect in this manner, and treating policy design as a causative phenomenon, makes for a better approximation of the realities of perestroika; as it takes into account the power of the communist leader (and the limits of what power on its own can achieve) as well as the culture of fear and servility that was rooted among bureaucratic actors in socialist systems.

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[176] 'In the spring of1986 Gorbachev issued a decree on agricultural reform. As a foreign diplomat, I went to Gosagroprom to find out how the decree was being implemented. However, top agricultural officials laughed derisively at my questions. They openly stated that nothing would change and that they simply paid no attention to Gorbachev's decrees', writes Aslund (1996: 119).

In summary, Gorbachev’s efforts towards bureaucratic inertia and drift differed from Deng’s in three substantial ways:

- Whereas Deng adopts a value-neutral discourse regarding the problem of bureaucratic inertia and drift, Gorbachev promotes the narrative that bureaucratic actors were deliberately sabotaging socio-economic progress.
- Second, unlike Deng who focused upon reforming the appointment and promotion/demotion procedures (as opposed to dealing directly with those appointees), Gorbachev’s approach was more simplistic, based on ‘permanent purges’ of the leaders of the bureaucratic organisations.
- Last, whereas Deng increases the autonomy and power of bureaucratic actors in China, Gorbachev decreases their autonomy by 1) isolating those organisations from the economic processes and 2) increasing Party control over the ministries.

Whereas with Deng we can observe a rejection of typical communist methods for dealing with the problems of bureaucratic inertia and drift, with Gorbachev we can observe their replication. ‘Permanent purges’ were Stalin’s invention, isolating the bureaucracy from the economic processes was Mao’s dream, and framing the issue of bureaucratic resistance to change in terms of a class struggle was a standard rather than an exception among communist reformers.

A few comments on the determinants of Deng’s and Gorbachev’s choices

The emphasis given in this chapter to the different choices made by the two leaders on similar issues may strike one as being simplistic in that it portrays Deng’s approach to the problem of bureaucratic inertia as completely ahistorical, whereas Gorbachev’s ways emerge here as being completely vested in history. In order to make amends, let me turn to one history that was relevant for both leaders.

In the early nineteen twenties, while replacing the mantle of a revolutionary for that of a reformer, Lenin also faced the problem of the bureaucracy. However, he would eventually come to the following realisation:

> One can banish the tsar—banish the landowners—and banish the capitalist. We have done this. But one cannot 'banish' bureaucratism …One can only slowly, through persistent labour, reduce

> it. Surgery is absurd in this case, it is impossible; only slow treatment—anything else is charlatanism or naiveté… (Lenin, letter of May 16, 1921, to M. F. Sokolov)

Lenin also had to deal with the mistakes of the past (though in his case, those mistakes were mostly of his own making).

> We overdid the nationalisation of industry and trade, clamping down on local exchange of commodities. Was that a mistake? It certainly was...it is an unquestionable fact that we went further than was theoretically and politically necessary and this should not be concealed in our agitation and propaganda…Can it be done at all, theoretically speaking: can freedom of trade, freedom of capitalist enterprise for the small farmer, be restored to a certain extent without undermining the political power of the proletariat? Can it be done? Yes; it can, for everything hinges on the extent. (Lenin 1965[1921]: 219-20)

So, as a reformer, Lenin adopted a more down-to-earth approach. Gorbachev, however, was reading the Lenin who wrote *State and Revolution*, [177] not the Lenin who brought the NEP. Deng was in fact the more ardent student of the latter – which is unsurprising given that he was living in the Soviet Union at the exact moment (1921-22) when Lenin's NEP was underway (for more on this, see Pantsov and Levine 2015). This brings us back to leaders' choices – both Deng and Gorbachev were choosing which history to take (or not to take) as inspiration.

I am not suggesting here that Gorbachev should have taken Lenin's NEP as a guideline for his reforms. Instead, it is the case that he should have learned from Mao's negative example. Just as Deng was able to turn to Soviet history for inspiration, so Gorbachev could have also learned from Mao's Cultural Revolution. Instead, he went on to commit the same strategic blunders as Mao, while claiming that this was not the case. Mao's 'mass line' approach to policy evaluation, the 'politics in command' doctrine, [178] treating the problems of economic development as being something that can be solved through mobilizing political enthusiasm and lastly, reducing the issue of policy failure to the 'internal enemy': each of these tenets of Maoism found their way in Gorbachev's perestroika.

Also omitted from this cross-case analysis were the circumstances that pushed Gorbachev to 'go public' and made it easier for Deng not to follow that route. I am not speaking here about the strength of the Soviet entrenched bureaucracy and the relative weakness of the Chinese state bureaucracy, but about some more personal and idiosyncratic circumstances**.** The fact is that when Deng came to power in 1978, he was not an unknown quantity for the Chinese people, and he had the benefit of knowing that he could count on public support in his battles with the Party conservatives. Gorbachev, in contrast, was an unknown quantity for the Soviet public in 1985. He had to present himself – and criticising the state bureaucracy is a typical way for the communist leader to bond with the people.

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[177] Lenin's *The State and Revolution* discusses the idea of the abolition of administrative and coercive organs.

[178] **'**Mao's idea of "politics in command" implies that no area of human activity should be left outside the political realm' (Lee 1992: 202). Gorbachev was an ardent devotee to such reasoning in theory and in practice (see Gorbachev 1987; Ellman and Kontorovich 1998: 120). He used politics as a looking glass for every major issue, from enterprise inefficiency to bureaucratic unresponsiveness.

That said, my goal is not to deny that the cross-case variance in the leaders' behaviour had some contextual determinants. The analysis here only suggests that those determinants were subtler and more idiosyncratic than the longevity of the regime, bureaucratic strength, and cultural particularities. In my view, there is no need to apologise for this more superficial treatment of those determinants of action because this cross-case analysis did not seek to explain leaders' behaviour (or reform outcomes in each case for that matter). And analysing them in their generalities.

Conclusion

This chapter has explored how the different attitudes of the two leaders towards the past translated into a different attitude toward the problem of bureaucratic inertia and different level of attentiveness to the importance of policy design. In the process, I have tried to further the argument on worse and better policy designs and on the necessity to look beyond incremental/economic and radical/political reforms templates while studying the relationship between leadership and institutional change in both cases. Some of the more specific key points are reviewed below.

Gorbachev's 'revolutionary' approach to change was at the same time a traditional method, as it was based on mass campaigns and mass purges (i.e., dramatic changes of state and party cadres based on political criteria). Those methods for solving social problems were invented and perfected by communist reformers that came before him, and thus they can be called traditional. By the same token, Deng's decision to avoid mass campaigns, and to adopt the more modest label of reforms, signalled a break from the traditional methods of reform communism. It is tempting to employ the term gradualism here. Deng himself used the term gradualism almost as much as he employed the term market (see *Deng's Selected Works* II and III). But the caveat here is that Deng's rhetoric of gradual change, and his advocacy of the trial-

and-error approach to policymaking was subversive to Maoism; and from such a perspective, Deng's effort appears as path-breaking. It is not my intention here to promote concepts as odd as 'path-breaking/subversive gradualism' and 'traditional radicalism'. Instead, my point is that conceptual tools such as gradualism and radicalism are not that useful in the context of studying Deng's era and Gorbachev's era reforms as they obscure more than they reveal about the relationship between leadership and institutional change in each case.

To further on this note, under Deng, the *appearance* of incrementalism was deliberate, and intended to mask real trends. Incrementalism, in the conventional sense, means considering *alternatives that are only marginally different from the status quo* (see Lindblom 1965). Deng did try to create such a perception about his reforms. If we look past the reformist discourse, however, we can observe that Deng's interaction with the policies of change in China was (in content) as distant from incrementalism - whether incrementalism is understood as being an absence of design, or as an absence of radical departures from the status quo – as it was (in form) distant from the 'loud' approach to change. The following facts also warrant mentioning here. Small adjustments leading to transformative consequences, a phenomenon commonly related to incrementalism (see Streeck and Thelen 2005:8-9; also Pierson 2004), was not a script that Deng's era reforms followed. Whether we look at the army or at the university reforms (areas where Deng's personal impact was clear and palpable), we can see grandiose and unprecedented processes – relative to what was happening in the rest of the communist countries and relative to China's history – reform initiatives. Bargaining, another facilitator of incremental change, was not the predominant mode of policymaking under Deng. This is so because having an actor who is both recognised as an arbiter by other relevant political parties and tolerated when acting unilaterally on the policy plane on important contentious issues (as was the case with Deng) is a rather different political situation than the one with 'actors with mutual veto powers'.

How the different attitudes of the two leaders towards the past affected the reform design, especially, the variance in the quality of that reform design was another key theme explored in this chapter. By rejecting the traditional 'politics in command' approach, Deng became concerned with issues such as complementarity of measures, the necessity for differentiation of roles and specification of functions of institutional actors, the necessity of seriality (i.e. repeated attacks on the same public or administrative problem). Such issues are almost invisible under the politics-in-command approach. Deng's antithesis to Mao's 'politics in command' was not 'economics in command': he did not neglect the importance of politics during periods of change or the necessity for political reforms. Rather, in addition to politics, Deng considered the importance of policy design. We know that policy design is important in that it affects the behaviour of both the intermediaries and the policy recipients (see May 2012). Deng, as a reformer, was attentive to that reality. In contrast, by using the optics of politics as a reformer**,** Gorbachev (see Gorbachev 1987:54) arrived nowhere near at such conclusion – i.e, that policy design matters.

So, as an alternative to the incremental vs. radical reforms dichotomy (which, as argued above, produces a distorted perspective on the relationship between leadership and institutional change in each of the two cases), this chapter has considered the cross-case variances in terms of more complex vs. more simplistic efforts of institutional redesign. This classification cross-cuts politics and economics, it is in harmony with well-established facts about the cases (such as Deng was more attentive than Gorbachev to the importance of the design of measures), it highlights the autonomy of the two leaders of interest (whereas the alternative denies that autonomy), and most importantly, it is as general as the dichotomy radical vs incremental changes.

How Deng's and Gorbachev's attitudes towards methods from the past informed their response to the problem of bureaucratic inertia and drift was another key theme explored here in a comparative manner. Just as Deng's reflexivity about the *strategic* missteps of his predecessors had led him to change his strategy towards the problem of bureaucratic inertia and drift (Deng came to rely more on the 'carrot' than the 'stick' while trying to secure compliance from bureaucratic actors) so also Gorbachev's inability to look beyond the moral failings of his predecessors led him to replicate those past strategies – that is, to rely on coercion rather than incentives**.** Expectedly, the framing of the problem of bureaucracy differed and was consistent with the different attitudes of the two leaders towards the past. Gorbachev considered the Soviet (state) bureaucracy as a strategic actor – which is to say, a source of organised opposition to his perestroika. Deng, in contrast, framed the problem with bureaucracy as institutional (i.e. independent of the will and interest of those individuals found within those organisations), which in turn was an unorthodox approach by communist standards.

Understanding what made those approaches different is important due to the following. Deng's diagnosis, by looking beyond personalities and recognising the role of the incentives structures of the socialist system as part of the problem, better matched the complexity of the problem of bureaucratic inertia and drift. Moreover, unlike the Soviet bureaucracy, the Chinese bureaucracy during Deng's era was more responsive to initiatives from above and was transformed in the process. Granted, leadership alone cannot explain such variance in outcomes. However, Deng's approach towards the problem of bureaucratic inertia and drift was both path-breaking and, relative to Gorbachev's approach, superior; and that, at the very least, was a necessary condition for the relatively positive outcome with the reforms aimed at, and carried by, those bureaucratic organisations in China.

A few final remarks on how this chapter has treated leaders' choices are in order. Proving the causal importance of Deng's and Gorbachev's choices (or explaining those choices) was not a key concern here. What is important is that, by focusing on leaders' choices –i.e., the points of convergence between bureaucracy, history and leader's efforts to control those change processes – this chapter has revealed something about the *systematic aspects* of the Deng's era and Gorbachev's era reforms and captures something substantial about the variances across the two cases. And we ought to consider whether the product here leads to a less plausible interpretation of the policy dynamics; whether it is more simplistic than the alternative; or more rooted in the idiosyncrasies of the events, as it is commonly expected from an analysis that ascribes centrality to leaders' choices. Not for the sake of understanding the different trajectories of Deng's era and Gorbachev's era reforms (the points raised here about the reforms and their variances are by no means original) but for the sake of understanding the analytical potentials of recognising leadership as something that structures change.

CHAPTER 8

Conclusions. What have we learned about leadership through the cases and what have we learned about the cases through leadership?

8.1. Introduction

This research has tried to specify the distinctiveness of the leadership approach to institutional change while exploring the argument that this distinctiveness is not about reducing such processes to their most external or idiosyncratic features. Parallel to this, it considered the limitations of the mainstream approaches to institutional change; in particular, it tried to illustrate through concrete examples the downsides of considering the conduct of individual leaders from within these approaches.

The focus was upon designs of change (as opposed to evolutionary or accidental changes). Within such a category, I have considered the dynamics of the interaction between leaders and policies of change and the causal link that runs from leaders' choices to those grand forces of bureaucracy and history. Below, I will revisit the specific motives for dealing with those particular relationships and reflect upon the cases related findings on them.

8.2 The case for not excluding leadership from the analysis of reform designs

While the interest in institutional designs and redesigns is present in contemporary political science, it comes with the obligatory warning that we should avoid the myth of the great designer (Goodin 1996: 28). It seems that political science has been successful in mythologising the idea that leadership structures and models institutional changes. The generic argument is that political actors are concerned with short time horizons and/or that the processes of institutional redesign are too complex for any individual to be able to exercise effective control over them (see, for instance, Pierson 2000: 479).

The fact remains, however, that, during periods of intensive policymaking, leaders do *try* to set the parameters of policy-change processes, to infuse them with values or devalue what lies outside those parameters. In addition, leaders try to *co-ordinate* the efforts of various agencies, groups, and individuals involved in the process of institutional reinvention. It logically follows from here that some efforts to control and design change will turn out to be better than others. This research has taken such realities as a vantage point while examining the reforms in China and the Soviet Union.

Thus, instead of arguing that Deng's or Gorbachev's impact upon the reformist processes in China and the Soviet Union, respectively, was of key causal importance, my focus was on showing how they interacted with the coherence and cohesiveness of the reforms both differently and similarly to one another.

Chapters 5 and 6 detailed how Deng’s and Gorbachev’s desires not to repeat the mistakes of their predecessors and the general expectation that they would remedy the situation (i.e., reverse the negative trends in the economy and tackle the loss of trust in the institutions of socialism) translated into a subversion of certain norms established by past state projects. In China, replacing the canons of the Cultural Revolution with their opposites provided guidelines for enacting institutional changes. In the Soviet Union, a similar (in its decisiveness) rejection of some of the key norms instituted by Gorbachev’ predecessors provided the key reformist guidelines.

Chapter 5 highlighted how Deng’s ‘cat theory’, that is to say, his rejection of the logic of appropriateness, gave a distinctive hue to the Chinese institutional change processes. Chapter 6 highlighted how Gorbachev’s rejection of instrumental rationality and the reinvigoration of the ‘primacy of politics’ criteria also gave a distinctive hue to the policy changes in the Soviet Union.

This research identified how the Chinese and the Soviet change projects varied in the abstract/concrete dimension, while putting into perspective Deng’s near obsession with the present and Gorbachev’s almost total absence of interest in the here and now.

Deng’s project was a resolute shift from the abstract to the concrete; it diverted the people's attention away from large themes to everyday life, and, by replacing the notion of sacrifice with the dictum ‘to get rich is glorious’, from the moral to the material. The preoccupation with the here and now of the Chinese reformers in general and of Deng in particular, it was argued here, should not be taken as being indicative of an absence of design of reform but as evidence of it. The departure from the theory-driven approach to policymaking (or the advent of a trial-and-error approach) was conducted in a coherent, organised and decisive manner under Deng.

It is true that experiments were nothing new in the communist world. Collectivisation, direct democracy, and workers’ control over the means of production – these were all grandiose social experiments enacted by communist reformers. Such experiments, however, were an effort to solve some fundamental issues of social life in their *totality*; they were announced as a (great) leap forward towards communism and realised through mass movements. In contrast, Deng ’s experiments occurred in the absence of mass campaigns and were used as an essential tool for devising policy solutions. (Their other purpose was to diffuse the political opposition coming from the party ideologues.) Policy implementation under Deng precedes modifications of the broader rules of the game. This approach was new and radical, and therein lies the deliberation and discontinuity brought about by Deng as a reformer.

Gorbachev’s perestroika was an effort to reinvent the Soviet polity around more idealistic principles: socialist pluralism, humanitarianism and democratic control over the means of production**.** The fundamental goals of perestroika – i.e. the creation of the socialist legal state and building socialism with a human face – and its central premise – that socialism has not exhausted its positive potential for developing the economy – were incompatible with market values such as competition and ineqalitarianism**.** Although market trends were not completely absent from the Soviet reforms, Gorbachev’s conduct, as shown in Chapters 6 and 7, was more often than not at odds with those trends.

Concerning market reforms, the sharp divergence between Deng and Gorbachev is worth noting. Whereas Deng’s political battles can be described as being a series of political battles over market reforms, nothing similar can be said about Gorbachev. In the Soviet context, there was an inherent tension between the reformist aspiration to develop and strengthen the representative institutions/increase social justice and the objective need for developing more efficient economic procedures. Gorbachev tried to resolve this tension by prioritising the former over the latter. He was consistently vetoing, rather than supporting initiatives such as price liberalisation reforms. Even when it became clear that such ‘non-actions’ were harming his support within the party, he tried to stand his ground. ‘No matter what you do with me, I am not going to forsake this position’, he stated in 1990 (Kotz and Wier 2007:83-84).

The crisis-producing elements of those reform designs were also put into perspective here. In China, the marginalisation of ideology and theory led to an identity crisis for the CCP. If the emphasis on efficiency and competence deprived a large group of ideologues within the CCP of their purpose, then the principles and policies of openness mobilized society and opened the political field to ideas such as the westernization of China.

The perestroika project brought about a different type of crisis. Nobody could object to Gorbachev’s call to practice the ideas of Marxism and socialism as they were originally envisioned. Doing so, however, was at odds with basic economic laws in the sense that the proposed solution for the economy under perestroika was, crudely stated: ‘neither the plan nor the market’. Next, the effort to build a legal basis for the realities of power posed some ‘ontological’ and practical problems. Detaching the Party from its judicial and legislative functions led the communist experiment into some unfamiliar territory. Furthermore, the effort to transform the function of the Soviet constitution from declarative to explanatory in conjunction with the actual features of that constitution[179] created disfunctionality and provided a basis for the post-1989 political crisis.

Identifying those designs was also about identifying the self-imposed criteria for the success of each project (by 'success' I mean rebuilding the regime's legitimacy and bringing a new kind of normalcy). In China under Deng, legitimacy was linked to securing economic growth**.** The condition and the gamble that Deng assumed as a reformer was simple: the CCP is competent enough to alter the economic fortunes of the nation and to bring about real improvement for the Chinese people in the form of wealth and opportunity; and that the Party legitimacy can be reconfigured around such achievements. Thus, even though economic growth is not a source of regime legitimacy by default, the pieces in China were set in such a way so that there was a significant overlap between achieving economic growth and rebuilding the legitimacy for one-party rule.

Even though a failure to address a problem such as economic stagnation is not necessarily a delegitimising factor for the leader or for the project he presides over, under perestroika it became one. On the arbitrary terms that Gorbachev set for himself as a reformer, the success of perestroika was predicated on both ending what he called the 'Brezhnev's era of stagnation' and restoring public faith in the ideas (and incentives) of socialism**.** Perhaps each of these broad goals was individually attainable. More importantly, they were mutually unattainable goals. By this I mean that the effort to translate some highly abstract ideas of socialism into practice (e.g., democratic control over the means of production) worked directly against ending the Brezhnev era of stagnation.

This research goes further than just arguing that the institutional changes in China and the Soviet Union had designs; it also shows how one was better than the other. 'Better' does not refer here to cross-case variance in reform outcomes but to variance on the following parameters. While making policy decisions, Gorbachev relied (predominantly, at least) on 'off the shelf' ideas. Such an approach was antithetical to the reformist principles established by Deng in China. In this case, policy experimentation was a constitutive and crucial aspect of policy-making decisions. Next, while trying to counteract the bureaucratic control over, and tendency to distort, policy-relevant information in favour of the status quo, Deng came to rely upon professional groups. For the same purpose, Gorbachev relied, predominantly, upon investigative journalism and public opinion (Gorbachev 1995: 203). Moreover, in China at the start of the reforms, new governmental agencies were established with a specific purpose of securing *co-ordination* among the policies of change. There was no equivalent to these agencies under perestroika – consequently, one change policy negating another was a more frequent occurrence here.

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[179] The Soviet Constitution comprised articles that contradicted one another; this however was not an issue given that the constitution was not meant to provide a basis for political actions.

The aim has not been to claim that the reformist policies in the two countries failed or succeeded due to having superior or inferior designs. [180] Instead, the point is that by giving more serious attention to the leaders' exercise of power we are invariably discovering certain features of the institutional change processes that are difficult to note otherwise.

8.3 The case for paying closer attention on the interactions between leaders and policies of change

Chapters 5 and 6 also put into perspective the interactions between the leaders and policies of change that transcended the decision-making point. The motive was to revisit the idea that the leader is 'an agent of institutionalisation offering a guiding hand to a process that would otherwise occur more haphazardly' (Selznick 1984: 27) in order to devise a more dynamic and more realistic account of those interactions**.** Also, as the cross-case variance allowed it, to explore how the policy feedbacks can determine the leader's capacity to control the subsequent change dynamics.

Our understanding of the interactions of leader-policies of change has been constrained by the conceptualisation of leadership as being an interpersonal phenomenon (which is at the core of transformational and charismatic theories, and principle-agent models) and by the idea that 'what happens before or after the decision point is outside the realm of leadership' [181]. The argument that diminishes the role of leaders before the decision point goes as follows: Leaders will specify their policy goals vaguely, experts in turn will then substitute leaders' intentions with their own private preferences; leaders, as they are laymen as opposed to experts, will fail to recognise those manipulations and will end up signing something that reflects other than their preferences (for more on such arguments, see Dahl and Linblom 1953: 74). Such reasoning is perfectly sensible for periods of normalcy when the stakes for making a decision – or supporting, opposing or subverting such decision – are much lower. Within the context of reformism, however, one needs to start with the fact that those policy goals, however vaguely specified by the leader, are radical (in the sense that they contradict certain formal or informal norms). This radicalness alters the nature of the relationship between 1) leaders and policies, 2) experts and policies and 3) leaders and experts so that the scenario in which policy experts subvert the intentions of their superiors by loading policy proposals with their own private preferences is implausible. The question as to what final outlook will certain policy decisions receive is a second order issue**.** The key question that confronts participants in the policy processes during periods of reform is 'Does supporting or opposing the leader's policy initiatives put me on the right side of history or not?' Furthermore, however distant policy implementation might be from the leader, during periods of reformism, policy implementation is a point of intensive political conflict. As such, whether those emerging rules acquire value and stability, mutate into something unintended or are reversed are questions that remain intimately related to leadership.

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[180] I do not wish to claim that the Chinese reforms were a perfect replica of Deng's intention; only that the fit between intentions and outcomes under Deng was greater relative to Gorbachev's case.

[181] While we recognise that leaders' impact extends further than policy-making decisions (Brady and Spance 2010 ; Goldfinch and 't Hart 2003), such an idea has not been put to use. By this I mean that a systematic

Building upon such ideas, Chapter 5 considered the interaction between Deng and certain controversial policies such as the special economic zones (SEZs)**.** The focus was not so much upon Deng's role in enacting such policies, but upon his role in the *maintenance* and *expansion* of such policies. In this context, it was shown how the SEZs performance shaped Deng's political battles with his conservative opponents and how his political triumphs were also a triumph for those policies. In other words, these policies acquired value and stability not only due to their fit with their environment but also because Deng was able to defeat the political opposition. Behind those triumphs was also another policy story. Deng's decision to enact certain deregulatory policies, and his commitment to the implementation of such policies, were in part responsible for his capacity to draw support from the public and the army during those moments of conflict with the conservative faction. The policy of separation of powers – which

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exploration of questions such as 'In what different ways do implementation and perseverance of the reformist policies relate to leadership? are lacking.

as argued in Chapter 5, constrained other political actors while enabling Deng to act as the predominant decision-maker – arguably played an even more pivotal role in determining the outcomes of those political battles.

An equally intimate relationship between Gorbachev and the policies of perestroika was observed in Chapter 6. The initial regulatory policies such as the anti-alcohol campaign and the 'law on unearned incomes' were considered here through the lenses of Gorbachev's exercise of power and as being central to his perestroika. This is not to deny the orthodoxy of such policies, but to point out that they contained an element of choice. Gorbachev's choice here had two dimensions – one relating to the present and the other to the past. First, Gorbachev ignored the recommendations from members of Gosplan, the ministry of finance and even from his prime minister not to enact the anti-alcohol campaign (see Appendix C). Gorbachev also ignored the *outcomes* of past attempts to revitalise the Soviet economy through similar regulatory policies. What he did in conjunction with imposing such policies is no less important. Unlike his predecessors, Gorbachev would up the ante by publicly attacking the current standard of living as being unacceptable and by creating the impression that such regulatory policies would fix this problem**.**

Chapter 6 also detailed how the (opposite of the intended) effect of those policies had shaped Gorbachev's political struggles and determined their outcomes. The frequently made argument that glasnost was turning perestroika into a 'snake that bites its own tail' was problematised here. The analysis in Chapter 6 suggests that perestroika failed not because of, but despite glasnost. One of the aims of glasnost was to bolster the achievements of perestroika; however, *everyday life* provided a counter-narrative that eventually proved to be more powerful than the reformist propaganda. The shortages in food, consumer goods and housing caused a public loss of trust in perestroika and, by association, in Gorbachev as a leader. (Here, I do not wish to reduce the causes for those social calamities to the policies of perestroika, but to point out that the effect of those policies on such calamities was clear and palpable.)

Chapter 6 also sheds light on the convoluted relationship between Gorbachev and market reforms (while challenging the argument that Gorbachev was the prime supporter of radical market reforms and that the absence of decisive actions on this front was a reflection of the power of the Soviet entrenched bureaucracy). Radical market reforms were not on Gorbachev's reform agenda but were, in fact, incompatible with many of its elements. Mass panic, hoarding, inflation, and a set of other negative economic trends occurring during the post-1987 era created *pressures* for enacting market reforms. Those socio-economic trends were in turn affected (although not completely determined) by policies such as the anti-alcohol campaign, the Law on state enterprises, and the short-sighted fiscal policies enacted by Gorbachev and his team. From this perspective, Gorbachev's involvement with market reforms was dramatic but incidental in the sense that the *unintended consequences* of his initial economic policies created pressures for the subsequent advent of such reforms.

In summary, Chapters 5 and 6 detailed how Deng's political triumphs enhanced the performance of the reformist policies in China and how the underperformance of the reformist policies undermined Gorbachev's stance in the political arena, and subsequently lead to a defeat of the key ideas of perestroika.

The intention here was not to arrive at the claim that the performance of the policies helps or hinders the performance of leaders**.** Instead, it was to illustrate how this interaction is intense to a point where discussing and analysing the trajectory of one phenomenon without taking into account the other is a misanalysis by default. Conversely to show how the double assault on the leader-policy nexus – i.e. the trend of reducing the role of leaders to making policy decisions and, in turn, trivializing the importance of those decisions in shaping institutional change processes and their outcomes – is doubly harmful.

8.4 The case for considering what leaders do to grand forces such as bureaucracy and history

Chapter 7 examined the strategic situations that bureaucracy and history create for the reformer, the contingent choices that reformers can make while trying to manipulate those forces, and the (policy) contingencies that arise from their choices. These particular interactions were found to be interesting due to the following reasons: First, that causality (as with everything else in the social world) runs both ways. Just as those forces constrain leadership, so also they can be altered and manipulated by leadership. However questions such as in what different ways leaders can affect or manipulate those forces and what are the contingencies that can arise from variances in such efforts lack sufficient study. Next, as has been noted by various empirical and theoretical accounts, history and bureaucracy create specific situations (or paradoxes) for the reformer that replicate themselves across time and space. However, the implication of this reality remains understated. That implication would be that dealing with leaders' choices is about dealing with regularities or generalities of institutional change processes because the particular choice situations that leaders face in their role as reformers exhibit certain regularities. It is understated as the association between individual choice and idiosyncratic aspects of institutional change processes remains pervasive in contemporary institutional analysis.

Chapter 7 detailed, first, how Deng and Gorbachev manipulated the forces of history in contrasting ways: one disempowered, the other empowered the past.

Three specific mechanisms through which Deng tried to disempower the past have been identified.

- First, by engaging in a radically new interpretation of old rules, Deng tried to manage the tension between some key tenets of Marxism/Maoism and the ideational foundations of the reformist policies in a roundabout manner. (To repeat, 'roundabout' stands here for indirectness rather than incrementalism.**)**
- Second, by rejecting the methods of the past, Deng adopted a rather unorthodox reform strategy (from the perspective of socialism). Mobilisation of political enthusiasm and propaganda were treated as being the enemies of reform rather than its instruments and ideological principles were allowed to arise from policy realities rather than the other way around.
- Third, Deng disempowered the past by avoiding open conflict with it. Deng tried to dissuade others from engaging in 'controversies' and eluded responding to the normative assessments of the policies of change.

With regard to the past, Deng acted as a subtle oppressor.

That said, this research does not claim that Deng's conduct as a reformer was completely ahistorical. As a reformer, Deng found inspiration from the past, although it was not the Chinese past, but the Soviet/Russian one. Lenin and Bukharin's New Economic Policy, which Deng would describe as being the most correct way of practising socialism, had, as some recent biographical accounts suggest, a profound impact upon Deng's reforms (see, for instance, Vogel 2011; Levine and Pantsov 2015). If we take into account the inter-dependencies of communist histories, the rather special place and relevance that Lenin had within that history, and Deng's personal experience with that history, then Deng's decision to reach for the Soviet past comes as nothing unexpected. Although it seems counter-intuitive, Deng's instruction that 'every organisation that can be reorganised to function as a business venture should be reorganised as a business venture' is another example of how the past had influenced the present in China**.** Namely, making implausible, daring combinations – as was Deng's decision to get the army and bureaucratic organisations directly involved in entrepreneurial activates – was arguably the quintessential feature of the first generation communist leaders. The story of Deng's journey as a reformer, therefore, was not about roads not taken but about roads less travelled.

Unlike Deng, Gorbachev had a taste for putting history on the agenda in a more open (expressive) manner. This was done whether to show unity between what he called 'the ideas of socialism' and his reform program or to 'fill the blank pages of history'. His affinity for history was not purely discursive but codified into some key policies of perestroika**.** The most profound impact of the past upon Gorbachev's reforms, however, was not in the content of the policies of change – many policies of perestroika had elements of discontinuity – but in the *methods* of change he applied. The rationale that 'everything is political', the declarative rejection of piecemeal engineering in favour of the revolutionary approach as a tool of institutional change, turning the issue of bureaucratic inertia and drift into an issue of class struggle, and the effort to alter economic fortunes through administrative excess – each of these tenets of Gorbachev's reformist strategy carried strong historical connotations**.** Thus, with Gorbachev, the forces of the past appeared to be more influential than they should have been.

'Bureaucratic inertia' was another pressing issue to which the two leaders responded differently. The framing of the problem was one point of divergence between the two reformers**.** Deng did not consider the Chinese bureaucracy as being a strategic actor; conversely, he considered the problem of bureaucratic transgressions as institutional and structural in character. Gorbachev, in contrast, treated the Soviet bureaucracy as a strategic actor – one that has interests in maintaining the status quo and is willing and capable of defending such interests at the price of obstructing progress in general and distorting the relationship between the party leadership and society in particular. Conversely, their responses differed as follows: Gorbachev used his material and symbolic resources in order to marginalize the power of the Soviet bureaucracy. Deng was more sensitive about antagonising bureaucratic actors. His focus was instead upon finding institutional ways for weakening patron-client structures, rewarding competence, and clarifying the roles of bureaucratic actors. His favourite remedy, material incentives, was applied extensively to the problem of bureaucratism.

How those different approaches have turned into different contingencies in the policy arena was another phenomenon addressed in Chapter 7.

At first glance, those different approaches had similar immediate effects, such as bringing chaos and confusion to the interactions between bureaucratic organisations and economic enterprises (see Pei 1994; Sakwa 1990). The difference is that, Deng, unlike Gorbachev, *did not alienate* those actors who were responsible for implementating the reformist policies on a national level and had a near monopoly on policy-relevant information. Although this does not fully explain the dramatic variance in the performance of the reformist policies, it is a piece of that puzzle.

Furthermore, the analysis has shown that Deng's and Gorbachev's different methods have affected not only the performance of the reformist policies but also the subsequent policy decisions of the two leaders. By denouncing the bureaucracy, Gorbachev confined himself to pursuing non-antagonistic or populist public policies. It is certainly plausible to imagine that Gorbachev would have remained committed to preserving full employment and further developing the welfare state with or without launching an 'anti-bureaucratic revolution'. However, the unrealistic wage and pension increases that occurred under perestroika, which were supported by short-sighted (populist) fiscal and financial policies (e.g. printing of money) can be better understood through the prism of his anti-bureaucratic revolution. In short, his choice to fight the state bureaucracy confined Gorbachev to applying (narrow) political logic to socio-economic issues. This method in the short-term improved his public standing but eventually worked against the key self-imposed goal of perestroika: ending Brezhnev's era of stagnation.

In contrast to Gorbachev, Deng was able to push for economic policies that in the short-term antagonized both the conservative faction within the CCP – who argued that Deng's reforms were not only a triumph of the bourgeoisie class but, through rising inflation and spurring on corruption, were also leading the system towards collapse – and the urban workers – who were dissatisfied with the inflation trends, factory layoffs and the revocation of welfare programs. On the positive side, by cutting 'non-productive' spending, such policies were also able to revive the Chinese economy and thus contributed to creating something that 'modern' China never had: self-sustainable economic dynamics.

Chapter 7 has shown how the leaders' tendency to reach for or reject the methods of the past affected their attitudes towards bureaucratic resistance and, from there, translated into policy contingencies. These linkages, to my knowledge, have not been systematically explored. Most accounts of the reforms in China and the Soviet Union take the relative strength of bureaucratic actors as a vantage point and consider leaders' behaviour as a reaction to that strength. More deterministic accounts find discrepancy in strength; less deterministic accounts find equivalence in the strength of bureaucratic organisations across the two cases (see Nolan 1994). The focus here was upon a different set of questions:

- Did the leader see the bureaucracy as being a strategic actor or not?
- Was the leader fond of mass campaigns or not?
- What was the traditional method for dealing with the problem of bureaucratism in socialist systems (and did the leader act in accordance with that method)?

These yes yes/no questions produced obvious answers. Dealing with them however was not only about simplifying reality and modelling the cross case variances; on the contrary, as the data produced here shows, it is about finding the interconnectedness between leaders' choices, history, bureaucratic performance, and policy performance in each case.

With regard to making a general contribution, Chapter 7, first, puts into perspective the phenomenon of 'change under the guise of continuity'. This phenomenon is arguably a 'blind spot' in the mainstream paradigmatic thinking on institutional change. One could only speculate as to why this is so. Perhaps because the notion of change cloaked as continuity is too close to the idea of incremental change. Or perhaps because the personal motives as to why some power holder would choose such a method seem elusive. What is certain is that political scientists remain more interested in its mirror image – i.e., in showing how below the apparent change there is much continuity at play.

By looking at Deng's case, Chapter 7 has specified two constitutive features of the 'silent' approach to change**:** mimicking change at the margins (the rhetoric of radical changes was absent from Deng's discourse) and radical policy changes. By contrasting Deng's case with Gorbachev's case, this chapter explored the ways in which the roundabout or the 'silent' approach is similar and different from the 'loud' approach to change. The 'loud' approach, as Gorbachev's case illustrates, sees politics everywhere. The' silent' approach is more 'blind' in that way. Where Gorbachev saw politics (as central to both the problem and the solution of reforming the socialist system), Deng saw something else: a lack of competence, a lack of proper incentives, and actors performing poorly defined and conflicting institutional roles. This is not to imply that Deng understood politics less than Gorbachev did; the case more likely is quite the opposite.

Chapter 7 has also identified ‘buying’ as being a distinctive mechanism that leaders utilise while trying to control and to manipulate the resistance to change that comes from those who find their interests in the status quo. Two points were raised here. First, ‘buying’ is a distinctive leadership capacity and thus it is equivalent to the strategy of ‘going public’; and second, ‘buying’ is fundamentally different from ‘bargaining’, if bargaining is understood to be a process contingent upon the presence of actors with mutual veto powers. The consensus on reforms, which is present during the initial phases of reformism, compels the reformer not to act as a bargaining party. They may well turn into one in the later stages – after 1990, for instance, Gorbachev did just that, but this was a case where the performance of the reformist policies was reshaping politics.

Chapter 7 has used Deng’s case in order to articulate such ideas. Deng relied predominantly on incentives in order to gain support for some key reformist policies, as opposed to bargaining over the content of those policies. The army reforms during the early nineteen eighties being exemplary of Deng’s ‘buying’ approach. When this method no longer worked (i.e., after 1989), Deng resorted to ‘twisting arms’ (as was the case with Zijang Zemin in 1992). The flip side of the coin of Deng’s capacity to turn the enemies of reforms into friends was his capacity to make *credible threats* – a capacity which the other players on the Chinese scene sorely lacked. No less importantly, both Deng’s tactics for dealing with political opposition had palpable and consistent effects on the policy plane: they were reinforcing the market reforms. It can be inferred that Deng’s policy approach was not flexible but rigid, and it was rigid probably because it was motivated by ideas and convictions about solving the problem of China’s underdevelopment and certainly because he was not just another bargaining party.

In relation to making general contributions, therefore, Chapter 7 promotes the distinctions between ‘buying’ and ‘bargaining’ and between ‘incremental change’ and ‘change under the guise of continuity’ as both meaningful and useful. Given the explorative nature of this study, there was no robust testing here. Also the contention here that that concepts such as bargaining and incrementalism are sometimes near misses that may give a distorted perspective on particular episodes of institutional change, remains here as an idea backed by empirical examples, but no more than this. That said, the journey has been more important than the destination here. The primary objective here was to show how focusing upon the conduct of individual leaders, examining the institutional changes in China and the Soviet Union in their generalities, and saying something substantial on a more general level (e.g. how, when and why the concept of bargaining exhausts its usefulness) are or can be complementary operations.

8.5 How (and why) this study has moved beyond the Chinese gradual/economic vs the Soviet radical/political reforms dichotomies

This study, as any other that deals with Deng's era and Gorbachev's era reforms, examined the dramatic cross-case divergence. However, the motives for doing so here were somewhat unorthodox**.** The aim here was not so much about bringing new insights on those variations in processes and outcomes, but about shedding light on the limitations of the templates within which they are usually placed.

To recall here**,** the comparative literature on the reforms in China and the Soviet Union has been predominated by the following dichotomies:

1) the incrementalism of the Chinese reforms vis-à-vis the radicalism of the Soviet reforms.
2) the economic nature of the Chinese reforms vis-à-vis the political nature of the Soviet reforms**.**

Those dichotomies, it should be noted, deal with the *overarching features* of those processes. Typically, they are constitutive of *deterministic* narratives about the different pre-existing conditions in the two countries leading to different reform trajectories and producing different outcomes. The following claim illustrates that determinism: 'The Soviet state and party were so petrified that they could no longer reform but collapse, while the Chinese state and its Communist Party were still reformable' (Aslund 2002: 95). Equally important for the purposes here is to note that such dichotomies do *not* deal with something that is outside the domain of what Gorbachev and Deng said or did; instead, they bring leadership to the forefront. Typically, the emphasis is upon the *powerlessness* of Deng or Gorbachev to impose certain reforms and on the political constraints that determined their actions. Gorbachev, the story goes, could not pursue market reforms, but had to resort to political reforms (see Thompson 1993; Brus 1993;

Brown 1996). Deng could not act decisively as a policymaker due to the ‘fragmentation of power’ (Naughton 2007). The linkages between the power constellations, the reform processes, and Deng’s conduct are usually drawn along the following lines. [182]

> China’s “gradualism” during this first period was characterised by a cautious incrementalism and lack of policy decisiveness that strongly reflected the configuration of power in Beijing. For fifteen years, policy stability was high: policies that departed decisively from the status quo were rare… Further, Deng Xiaoping, as paramount leader, had a strategy of balancing, both formally and informally… Deng’s political strategy was consistent with the fragmented, multi-veto-player structure of power, and indeed reinforced that structure. (Naughton 2008: 103; fn 103)

Although these dichotomies are mutually reinforcing and fused (e.g., the notion that Deng’s era reforms were predominantly economic is intimately related with the notion that those reformors were gradual), here I will consider them separately**.** The purpose is to expose the empirical and logical weaknesses of such dichotomies; also, to show how the alternative avenues that have been explored by this research are empirically and logically sustainable.

The faults with the Chinese incremental vs the Soviet revolutionary or radical reforms dichotomy

The basic claim of this dichotomy is the following: ‘In sharp contrast to Gorbachev’s radical reforms, which led to the cataclysmic collapse of the Soviet Union, Deng Xiaoping famously introduced gradual economic reforms with no political change’ (Padget 2012: 1-2). We should remind ourselves here that the term ‘incrementalism’ in the context of Deng’s era reforms is usually used to convey the absence of both reform design and radical departures from the status quo (see Shirk 1994; Naughton 1995; 2008). Concerning the Soviet reforms, the term ‘radical’ is *not* meant to convey Gorbachev’s autonomy but ranges closer to ‘apocalyptic determinism’. The claim is that Gorbachev had no other option but to proceed with radical (political) reforms (Aslund 2001; Mau and Starodubrovskaya 2001), which in turn provoked the collapse of the Soviet Union.

This cross-case discrepancy regarding the gradual-radical dimension is explained in terms of institutional settings, history, culture, and power constellations. A piecemeal, gradualist approach was not possible in the Soviet Union due to the longevity and the corresponding strength of the Soviet state bureaucracy (see Aslund 1995: 13-16; Mau and Starodubrvskaya

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[182] Naughton’s study is not comparative; nonetheless, it succinctly posits the basic line of reasoning of Chinese gradualism and hence it illustrates one side of the Chinese gradualism/ Soviet radicalism dichotomy.

2001; Woo and Sachs 1988). Gradual reform was the only option for the Chinese reformers because of the 'fragmentation of power' (Naughton 2008). The rationale is that the fragmentation of power on an elite level both paralysed the Chinese leadership (i.e., prevented policy decisions that would radically depart from the status quo) and amplified the influence of the state bureaucratic organisations– actors, who favoured preserving the status quo. As Shirk notes on this issue: 'When the principles are divided, the agents can get away with more' (1994:124).

The cross-case variance in elite attitudes towards 'stability' is another often used explanation for the incrementalism/radicalism dichotomy. Stability, the claim goes, had intrinsic value for the Chinese reformers and was of the utmost importance to Deng as a leader (Nolan 1994; Schoenhals 1999) whereas the Soviet reformers never ascribed such importance to stability. The explanation for this divergence is straightforward: The chaos brought about by the Cultural Revolution made the Chinese elites more cautious and more aware of the ramifications of 'big push' or 'big bang' approaches. In contrast, the Soviet reformers, as they acted after a prolonged period in which the emphasis was upon stability (i.e., the Brezhnev era), had a more relaxed attitude towards 'chaos'.

It is true that the Chinese reformers had more reasons to be cautious than their Soviet counterparts (considering the legacy of Brezhnev's era and that of Mao's era) but whether those reasons are a good referent for what actually happened in China during Deng's era is a different matter. Furthermore, making an opposite claim–i.e. explaining why the Chinese reformers were more bold and decisive than their Soviet counterparts–is just as easy. At the helm of the Chinese reforms was a first-generation revolutionary leader, whereas at the helm of the Soviet reforms there was a third generation party official. From this perspective, the tables are turned: to say that, as reformers, those revolutionary generation leaders tended to be more confident, bold, and decisive (or less cautious) in their role as reformers than those third-generation party officials, it is merely to point out the obvious (see Fewsmith 1997: 525-527).

Some observable properties of the policy decisions from Deng's era warrant mentioning here. By rejecting class struggle as a meaningful national goal (or by promoting workers' exploitation by foreign or domestic capitalists as something good for the sake of collective progress), by introducing profit as a key metric, and by inverting the relationship between theory and policy, the reforms in China were radical from the onset. Furthermore, the reformist policies of Deng's era were a conflict generator. As noted in Chapter 5, the reformist policies in China spurred on conflict between 1) the ideologues and the technocrats within the Party, 2) between the Party and the universities, between the working class and the entrepreneurial class, and 3) between those regions that benefited from the fiscal reforms (coastal regions) and those regions whose situation became worse from the same policies (inland regions). These policy-driven conflicts suggest something altogether different from sterile, equilibrium-bound policy decisions.

Granted, the argument that Deng, unlike Gorbachev, had stability as an overriding priority does not come out of thin air. Deng was prone to using a value-neutral, non-divisive language and preferred dealing with contentious issues in a detached, impersonal manner (see Vogel 2011; Pye 1993: 435). Also, he did not pursue the policy of cadre changes with the same vigour as Gorbachev did. However, that was the case only because Deng, unlike Gorbachev**,** identified the causes for the underperformance and transgressions of the party and state administration as structural and institutional, or as unsolvable by simple cadre changes (see Appendix B). Deng did state on certain occasion that ‘we need stability, stability, and more stability’ (Deng 1990). However, this statement came at a moment when the collapse of communism in Eastern Europe seemed imminent and the CCP was facing the threat of a revolutionary overthrow. The idiosyncrasies of that moment are not easily transferable to different contexts and are not necessarily representative of Deng’s attitude towards stability.

Here we should not forget that Deng is one of the most thoroughly studied historical figure. The factors that made him such an interesting subject for study are the same ones that make the claim that Deng as a reformer prioritised stability above all else implausible. As several authors have noted, impatience (Pye 1993), overconfidence (Taiwes and Sun 2007), stubbornness and a propensity for rule-breaking and risk-taking (Vogel 2011) were part of Deng’s modus operandi. Even if we reduce these qualifications to the personal impressions of area experts, history comes to our aid on this issue. Deng’s political career extended over seven decades (from the 1930s until the 1990s) and if there was anything to be inferred from it, it would be the following: *Deng’s conduct was rarely if ever a factor of stability for China***.**[183] When it came to reforms, Deng had a record of ‘pushing things too far’ – he was purged from the party leadership three times due to such tendencies – and this did not change after he took over leadership responsibilities. To the crises that occurred in China after 1987 and after the collapse of communism in Eastern Europe at the beginning of the 1990s, Deng had a simple response: to push ahead with those same reforms which were identified by the Party elites as being the culprits for the crisis. This was a rather unusual practice for someone who prioritises stability.

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[183] In 1975, for instance, Deng fell from grace for the third time because he was working against Mao’s instruction to place emphasis upon stability and unity (Taiwes and Sun 2007: 310).

It is worth noting here that Deng had a simple thesis on the issue of stability**:** *economic development will produce stability* (MacFarguhar 1997:1; 478; see also Deng 1990). Stability, in other words, was envisioned by Deng as being a desirable *outcome* of economic activities (e.g. market reforms) which in the short term may have a destabilising effect.

The notion that Gorbachev did not value stability is also based upon a selective presentation of the realities of Gorbachev's conduct as a reformer. For instance, by looking at Gorbachev's constant rejection of liberalising prices (his key argument against market reforms in 1989 was that such reforms would disrupt social stability), his decision to go after politically easy targets such as the mid-level bureaucracy and Stalin, one can arrive at the conclusion that there was less here than meets the eye with Gorbachev's maxim 'we should not fear chaos'.

The faults with the Soviet political vs Chinese economic reforms dichotomy

The basic idea behind this dichotomy is that Deng was committed to preserving the political system intact (Naughton 2007:91 Sachs and Woo 1998; Shirk 1994:5) whereas Gorbachev and his team were set upon reforming the political system. At first glance, the politics vs economics dichotomy seems plausible. For instance, one distinguishable feature of the socialist system was a suppression of all forces that departed from or opposed the party's policies (Kornai 1992:360). This criterion was preserved in China under Deng (and after), [184] but not in the Soviet Union under Gorbachev. Nevertheless, the reasons for not using the politics/economics dichotomy abound.

The notion that the Chinese political structures remained less affected or intact during Deng's era is misleading in three ways. First, economic liberalisation (probably the best observable aspect of Deng's era reforms), without exception, pluralises power. Second, the Chinese economic reforms were deeply intertwined and depended on the parallel political and social reforms**.** The transformation of the Chinese economy (particularly the state-owned enterprises) cannot be understood without reference to the *political incentives*, which were introduced in parallel to the economic reforms and served as a backbone to that economic transformation.

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[184] How these policies are brought about, on what grounds they can be reversed, or what the criteria are for their maintenance was a novelty in China, however.

However, this is not the key problem with the label ‘economic reforms’. The pre-reform Chinese political system, as noted in Chapter 5, was based upon the ‘cult of personality, a ‘system of recommendations’ and, according to Deng, was characterised by ‘overconcentration of power’. It was a system in which the key decisions were made by ideologues rather than technocrats, where the notion of sacrifice was central, and the Party drew its legitimacy from the claim that it represented the will and protected the interest of the proletariat. Neither of these features of the Chinese political system preserved, in the least, the class interest basis for legitimacy of the one-party rule. [185] If we resist the urge to see only proto-democratic reforms as being the only political reforms worth mentioning as ‘basic changes’, then the often-repeated mantra that the basic features of the Chinese system remained intact with the reforms becomes untenable.

In sum, *the issue is not in the plausibility of the explanations* given as to why the Chinese reforms were gradual and the Soviet radical or revolutionary (or why the former were predominantly economic in nature whereas the latter extended to political reforms) but in what is taken for granted – i.e., that those processes in China, relative to those occurring in the Soviet Union, were gradual or constrained to the economy.

The second set of problems with these dichotomies is logical. It goes in two directions**.** First, the incremental/radical dichotomy requires that we take the leaders’ rhetoric at face value.

To reiterate, the underlying argument of the gradualism/radicalism dichotomy is that political power was fragmented (both in China and the Soviet Union, albeit in a somewhat different manner) and that this led to a lack of policy decisiveness in China and to radical political reforms in the Soviet Union. With such logic, Gorbachev’s rhetoric of radical, uncompromising and revolutionary measures (Gorbachev 1987: 54) and Deng’s effort to avoid such sensationalist statements and speak of evolutionary changes were not manipulative but accurate reflections of the realities of reforms.

Granted, it is plausible to take Gorbachev’s rhetoric of radical changes as being indicative of the actual changes taking place in the Soviet Union. However, it remains the case that Gorbachev’s constant cadre changes and the revolutionary rhetoric were effective in creating an *impression of change*. Deng’s rhetoric of continuity and spontaneity, however, cannot be taken at face value.

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[185] Norm-based succession procedures and a meritocratic system of promotion and evaluation of state officials have been identified as being outcomes of Deng’s era reforms (see, for instance, Andrew Nathan’s *Authoritarian Resilience*).

It is rather obvious that Deng persistently and *deliberately* quoted Mao out of context. In a moment of inspiration, Mao said something profoundly anti-Maoist – ‘seek truth from facts’ – and Deng, as a reformer, exploited such a statement. Deng also reduced Marxism to a developmental principle – in his interpretation, everything that fostered economic growth was Marxist. Namely, Deng was well acquainted with Marxism and Maoism – experience being the great teacher here. To state the obvious**,** his (mis)interpretations of elements of the polity (Theory and Thought) were deliberately subversive and functional – aimed at creating certain *impression of continuity* and cloaking the fundamental incompatibility between the ideational foundations of the reformist policies and the central tenets of Marxism/Maoism**.** Under the radical/incremental dichotomy, however, such manipulations go unrecognised, as one’s rhetoric cannot be simultaneously both an objective comment on the changes taking place and a manipulation of the perceptions of change/continuity.

The other clear logical implication of the gradualism/radicalism dichotomies is that the comparison at hand is not between transforming and self-defeating policies, or successful and failed reforms, but between possible and impossible reforms. The issue here is that processes, outcomes, and conditions are conflated. Through the lenses of incremental reasoning, stability is not an outcome of Deng’s era reforms but intrinsic quality of the processes. Gorbachev’s powerless and irrelevance is taken as an initial condition rather than an outcome of the failure of the policies of perestroika.

The argument that the Chinese reforms were incremental relative to Gorbachev’s era reforms builds on the claim that the Chinese elites valued stability, Deng as a reformer prioritised stability, and that the Chinese reforms processes had relative stability as a key feature. Such a claim reduces Deng’s non-routine, risk-taking, and rule-breaking activities to incidents that neither define his modus operandi let alone had some importance in shaping the Chinese reforms. Furthermore, under such an argument there is no transition from extraordinariness to normality after Deng’s southern tour in 1992. The Chinese reformers, **so** the incrementalist reasoning goes, started with a gradualist approach in 1978 and continued with a gradualist approach after 1992. The logical lapse here is simple. The fact that Deng took Maoist norms and replaced them with their opposites (1978), whereas Zijang Zemin operated within the parameters set by his predecessor (Deng) are presumably different variations of incrementalism; namely, there is no fundamental difference between the two.

In sum, the logical implications of the claim that Deng's era reforms were incremental leads us to implausible answers to questions regarding 1) whether stability was an *outcome* or an intrinsic feature of the reformist processes in China; 2) whether deviation from norms was *systematic* and crucial for the occurrence and unfolding of those processes, or incidental and peripheral aspect of those processes; and 3) whether it makes sense to place Deng's reforms– which were subversive, divisive, and forming the 'rules of the game'– and those that occur under his successors within the same category.

Turning to Gorbachev's case, the story of perestroika radicalness is in a way a story about Gorbachev's *powerlessness*. He was powerless, so the reasoning goes, to prevent those senseless regulatory policies that featured during the first phase of perestroika, and also powerless to secure the required support for market reforms. It is also a story about triumph – namely, by turning to political reforms, he was able to open space for market reforms. From this perspective Gorbachev's interventions were the only possible ones; his efforts to control and organise the reforms reflected the political context, and were therefore only superficially related with the eventual defeat of perestroika.

The claim that Gorbachev was powerless is at the same time a claim about the power of the Soviet interest groups, about their preferences, and ultimately about the nature of the Soviet system. And what it says about those elements does not make much sense. For one thing, it *arbitrarily assigns too little power and too much power* to those interest groups. Namely, those interest groups were powerless to prevent Gorbachev from applying permanent purges, isolating whole organisations from political life, changing articles in the Soviet constitution in bulk, and acting unilaterally on the foreign plane, and yet, at the same time, they were capable of making him afraid to even utter the word 'market' in some positive connotation, as Brown (1996) claims. The *representation of the preferences* of those interest groups is no less problematic. Namely, those interest groups who were profiting from the existing order in the Soviet Union appear as being afraid of market reforms (which in no shape or form posed a direct threat to their privileges) and as unafraid of free elections (which was a direct threat to their interests as it opened up the possibility that they might lose their privileges by a popular vote). Last, and no less problematic, the argument that Gorbachev was powerless, cannot accommodate the observable and well documented relationship between Gorbachev's policy interventions and the incohesivness of the policies of perestroika. If Gorbachev was powerless, then that policy incohesivness, logically, reflexts something else than his ideas or excerise of power. Even if we accept that the power constellations in the Soviet Union favoured the status quo (or powerfull bureacrats were afraid of market reforms), the enduring tension between the policies of perestroika cannot be explained away with reference to those conditions.

The presence of mutually ofsetting reform policies are a solid indicator that Gorbachev acted with certain authonomy and was able to overcome political/bureaucratic opposition to his policy ideas.[186] Furthermore, his diminishing relevance and eventual powerlesness was, in part at least, an *outcome* of that policy incohesivness. The 'policy feedback', as shown in Chapter 6, had devastating consequences for Gorbachev's political support.

Characterising Gorbachev as being a powerless figure is theoretically appealing as it highlights the covert opposition that supposedly laid below his mandate for change. It aligns the events from Gorbachev's era with mainstream social science by higlighting the *role of constraints* and the presence *unintended consequences*. Namely, Gorbachev had nowhere else to go but to initiate radical political reforms and those radical political reforms were undermining rather than saving the Soviet system. Such an argument achives resonance only by engaging oportunistic and questionable represenation of power and preferences of Soviet interest group and by being at odds with well established facts–whenever we go into details, the narrative that the policy-incohesivenss was shaped independently of Gorbachev's intentions and actions falls apart (see Chapter 6)**.** Within the frame of such an argument a discussion on Gorbachev's ideological commitments (whether he was commited to political liberalisation and market reforms) acts as a substite for an analysis of his actual engagement with the policy making processes. Is necesery to explain the collapse of the soviet union. But by neglecting this aspect is the following.

The contention here is not that accounts that use gradualism/radicalism and economic/political reforms as a basis to analyse the variances in the change trajectories in China and the Soviet Union miss much about the role of leadership in those processes**.** Instead, it is that they are saying (whether explicitly or implicitly) too much about the role of leadership and that those claims are contrary to evidence and/or reason.

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[186] Take for instance his interventions in altering the objectives of Twelfth Five-Year Plan (1986-90) and pushing the idea of accelerated economic development by increasing dramatically both the quantity and quality of production.

Such templates, then, reveal much less than they claim about Deng's era and Gorbachev's era reforms. and distort the role of leaders in those processes along the way[187]. Recognising these shortcomings is important, for the purposes here, because they are likely representative of some enduring trends in the study of institutional change. Namely, leaders are typically incorporated into the analysis of institutional change processes only by abandoning the commitment of contemporary social science to be more empirical and equally attentive to structure and agency (see, for instance, Goodin and Klingemann 1996).

Let us now consider how this research differentiates the two reforms projects. Evidently, the reforms in China and the Soviet Union played out differently; although this research problematizes the economy/politics, incrementalism/radicalism and entrenched /not that entrenched bureaucracy dichotomies, it neither avoids nor dilutes that reality. The contrasts are drawn here by focusing on the leader's effort to exercise control over change processes, and on the patterns of interaction between leader's exercise of power and the policy processes. As such, they are *not* intended to capture the overarching features of the change processes in China and the Soviet Union or to explain outcomes.

The variances identified here not only allow for but also demand that we stray away from the politics/economics dichotomy. As noted in Chapters 5 and 6, Deng pushed *ideology*, a central element in the socialist system, from the centre to the periphery; whereas Gorbachev brought *legality*, a peripheral element in the socialist system, to the centre. I use the term 'repositioning' because the content of the Chinese official ideology, nominally, changed little under Deng, just as the content of the Soviet legal and constitutional system changed only moderately under Gorbachev. Deng's and Gorbachev's interventions affected the *function* of those elements. More precisely, Gorbachev tried to *bridge the gap* between the proclaimed and the actual function of the Soviet constitution and the soviets; whereas Deng, by proclaiming that everything that can bring economic growth was socialist and that everyone was a member of the working class (especially the entrepreneurs), recast ideology as a pragmatic legitimizing tool as opposed to a determinant of policy activity.

These modifications affected both political and economic affairs. The *Law on Unearned Income* from 1986, for instance, can be seen as being a concretisation of Gorbachev's principle of legality. In China, the marginalisation of ideology extended further than the economy. We can mention in this context policies such as the institutionalisation of the death penalty (1978-83), the population control policies (i.e. the 1981 ‘one-child policy’) and the experiments with competitive local elections (i.e. the 1987 ‘Organic Law’). The first two policies can be described as being primitive and oppressive, whereas the last as being progressive and democratic. What those policies have in common is that their *expressive* function – what values they conveyed, or failed to convey – was, by design, unimportant**.**

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[187] These templates are developed by subjecting the two leaders to similar treatments. Excessive focus on constrains on expense of completely neglecting the enabling role of institutions in relation to political leadership ;regarding Deng's and Gorbachev's performance as planners as equally inconsequential; deterministic and superficial analysis of the relationship between leaders and institutional change processes;.

To put this in slightly different terms, Gorbachev’s policy solutions, as they were built upon ideas such as ‘humanist socialism’ and ‘workers self-management’, were aesthetically appealing from a socialist perspective. In contrast, Deng’s solutions found their appeal solely in the promise that they would work (i.e., revitalise the Chinese economy and reinvent the legitimacy of one-party rule around such an achievement). These variances in policymaking approaches can be safely taken at a more general level: *deductive vs. pragmatic* approach to policy-making. Or to put this into more relevant terms, Gorbachev imposed the ‘logic of appropriateness’ on the policy process whereas Deng imposed ‘logic of instrumentality’ to such processes.

Another divergence identified here relates to the *complexity* of the two change approaches. Deng’s approach towards institutional redesign was more complex than Gorbachev’s in two significant ways. First, Deng was more attentive to the problem of policy co-ordination and, secondly, he did not reduce the challenge of reform to politics. Deng and Gorbachev’s projects had conceptually different vantage points. Gorbachev embraced the ‘politics in command’. Deng rejected this approach, both symbolically and substantially, from the onset. ‘Politics in command’ was not about emphasising political over economic reforms. Rather, it was first and a blueprint for actions on reforms, which highlighted the political dimension of administrative and socioeconomic problems. Such problems through the prism of ‘politics in command’ appeared as solvable by proper allocation of power, coercion, and suppression. Issues such as policy complementarity or the relationship between compliance and institutional incentives were invisible within this schema.

Complementary to this was the contrast drawn here between Deng’s *mutually reinforcing* vs Gorbachev’s *mutually offsetting measures*. The single most consistent feature which extends across the temporal and spatial dimensions of the policies of perestroika, as shown in the previous chapters, was not their progressiveness but their incoherence. This incoherence extends from Gorbachev’s initial push to simultaneously increase the quality and quantity of economic production to his post-1987 effort to increase his institutional powers while also strengthening the representative institutions. This determined Gorbachev’s impact on economic processes and his legacy on the political institutions. These variances, again, transcended the distinction between politics and economics. Deng’s era reforms were mutually reinforcing across the divide of politics and economics, and Gorbachev’s policies were mutually offsetting in both the economic and the political realm.

Table 8.1. Beyond the incremental/radical and political/economic reforms dichotomies

Gorbachev		*Deng*
reinventing the role of legality	vs	that of ideology
theory-driven	vs	problem-driven approach to policy-making
places intrinsic value upon the enactment of particular policies	vs	values the expected effects of policies
simplistic	vs	complex approach to institutional redesign
mutually offsetting	vs	mutually reinforcing measures

By focusing on the leader’s exercise of power, therefore, this research identifies five dimensions of contrast between the two reformist projects. Those contrasts bring a distinctive perspective not only on the policy dynamics but also on the interactions of those reforms with the forces of bureaucracy and history. None of them requires resorting to, and some of them are even in direct contradiction with, the incremental/radical and political/economic dichotomies. Instead of comparing political with (incremental) economic reforms, this research identifies the complexity of the change projects and the quality of the reform design as a key point of divergence. Instead of spontaneously emerging patterns, through the lenses here we have *deliberate* and *decisive* action translating into good policy design, in one case, and poor policy design, in the other case.

The contrast in the table above is rooted in concrete and observable aspects of the interactions between leaders and policies. By this I mean, such features of the reforms have been identified here by taking into account concrete aspects of Deng’s and Gorbachev’s conduct (public commitment to certain policy principles, programmatic declarations, stated reform priorities and policy decisions) and observable aspects actual policy change processes in China and the Soviet Union, respectively. They also bring more *relevant* representation of the relationship between the leaders and institutional change processes. The contrasts drawn here touch upon themes that are of genuine interest of contemporary social science. In my view, contemporary social science is primarily interested in examining the *systematic* aspects of social phenomena and change processes (see King et al 1994) and, by extension, in the origins and consequences of poor and good policy designs. By showing here that, in each case, the policy design was neither a mere extension of existing institutional constellations nor inconsequential in shaping the political relevancy and the institutional legacy of Deng's and Gorbachev's leadership, this research aligns with such goals of social science.

Granted, the contrasts drawn here do not provide a comprehensive account of the processes in China and the Soviet Union, still less, explain the outcomes in each case. Optimally, they do bring out the link between leaders' conduct and the failure and success of the policies of change to produce intended outcomes; at the minimum, they put the variance between Deng's and Gorbachev's conduct as reformers into some empirically and logically justifiable frame of reference while relating it to the systematic aspects of those change processes. Last, this research avoids the fallacy of treating Deng's and Gorbachev's performance as planners as inconsequential, or as equally related to unintended consequences.

To achieve this, my research prescribes causal importance to the leaders' choices**.** Deng and Gorbachev, in the interpretation offered here, chose to address the problem of bureaucratic inertia differently from one another. Consciously or unconsciously, they assigned a different role to history in their reformist programmes. Gorbachev made a deliberate decision to reject the logic of instrumentality, just as Deng made a case for rejecting appropriateness. (It would be difficult to find a more concrete example of embracing instrumentality than Deng's 'cat theory'.) It may seem that this reserch completely overlooks the determinants of the leaders' behaviour and uses instead the unappealing 'he did so because he wanted to' logic. A few reminders regarding this issue are in order. First, 'choice' in the context of this research is also a claim about the power relations in China and the Soviet Union and is supported by a thorough examination of those relations. Namely, this research takes into account *centralisation and concentration of power* and its manifestations: inequalitarian relationship between leaders and other key actors, the leaders autonomy and opportunity to influence the policy processes both directly (e.g. via policy decisions) and indirectly (by appointing policy experts, bringing certain problems on the agenda, determining the 'meta policy'). Secondly, this research does provide some information on the question as to what determined the *variance* in leaders' behaviour– it shows where *not* to look, if not where to look for them. Those determinants were subtler than they appear in accounts that use the politics/economics and radicalism/incrementalism dichotomies. Last, choice gives the tail instead of the head of this research argument. My point here is that looking forward – that is to say, shifting analytical attention from what shapes leader's behaviour to how that behaviour structures change – is an approach that has many virtues.

No less importantly, building our analysis around leader's choices, as the data produced by this study shows, does not mean distancing ourselves from the concepts that prevail in the institutionalist literature. This research uses the terms 'logic of instrumentality' and 'logic of appropriateness', 'shift in policy paradigms' and 'institutionalisation' in order to analyse Deng's era and Gorbachev's era reforms and their variances. My application of such conceptual tools may be unorthodox, but I believe that it remains valid.

Leader's choice, when used as a heuristic device, imposes its constraints upon the analysis. By dealing with possibilities and understanding, as opposed to prediction or explanation, this study stays within those boundaries. This research was not so much about explaining particular episodes of institutional change but about understanding the limitations of certain approaches and the possibilities of other approaches for analysing institutional change. More precisely, it was about understanding the relevancy and legitimacy of the question 'How leadership structures change?'

Conclusion

This research has used the reforms in China from Deng's era and the Soviet Union from Gorbachev's era in order to systematically explore the intersections between the study of individual leaders, designs of change, and the mainstream models and metaphors on institutional change. I have assumed, first, that the two cases of reforms are representative examples of significant institutional change; and second, that the trends in the social science literature on those reforms give a good approximation (and representative variation) on how individual leaders are included in the analysis of change. The key findings and arguments developed in this research are summarized below.

The mainstream models and metaphors of institutional change – regardless of whether they treat change as being endogenous or not or whether they err towards evolutionary or rational choice theory – align in that they cannot provide a platform for considering how actual leaders perform in their role as organizers of reforms. At the same time, empirical studies that utilise those models or metaphors cannot avoid saying something concrete about the conduct of individual leaders. As such, they incorporate the leader into their analysis by giving a parsimonious account of the determinants of the leader's behaviour. The aim of such accounts when dealing more directly with the conduct of the leader is relatively uniform: to demonstrate how the leaders' behaviour did not affect the coherence and cohesiveness of the reform policies in a given setting. In more formal terms, the closer an account to some form of institutional change theory is, the more decisive the dissociation of leaders from designs of reforms becomes; both when design is understood as being a blueprint and as a process. Such accounts, if we go by the trends in the literature on Deng's era and Gorbachev's era reforms, tend to hold a negative bias towards the decision-making powers of the leader (or they overestimate the degree of fragmentation of power within the given political community), engage in an aggressive interpretation of leader's intentions, and selective treatment of the data, whereby evidence that points to deliberation and autonomy in leaders' actions is ignored for the sake of the paradigm.

The alternative to such approaches – focusing on the exercise of power of individual leaders and considering the designs of reforms from a perspective of centralised power – is dismissed on the basis that it highlights only the most external or idiosyncratic features of institutional change processes. The limitations of such efforts are inflated in two specific ways. First, by establishing a false equivalence between accounts that aspire to explain institutional change (which is the common goal of mainstream social science) and those that aspire to understand the role of individual leaders in the process of change (which is the common goal of leadership studies). The latter is treated as having the same (grand) ambitions as the former. Thus, for instance, with regard to Deng's era reforms, claims that Deng as a reformer exercised autonomy are dismissed because 'the ''Deng-in-command'' model is too simplistic'. Secondly, the assumptions about agency that prevail in institutionalist thinking – i.e. individual agency can matter only by adding elements of randomness to change processes and decision-making is but a facet of the more subtle and more important phenomena and processes – are projected as truths that undermine the usefulness of leadership approaches.

Starting from the position that we cannot exclude the leader from our analysis of reforms and that there are two contrasting possibilities for including it (two positions for which there can be no synthesis), I developed the following argument: Within the context of studying the most visible cases of significant institutional changes (reforms), treating the leader's conduct as something that structures change is more useful than focusing upon the structural/contextual determinants of the leader's behaviour. The former approach, rather than highlighting the idiosyncratic or external features of reforms, is doubly useful. First, it allows us to internalise the common-sense propositions that leaders try to organise reforms (and that some leaders will perform better than others in that role), and that leaders not only engage with other actors but also structure the interactions between other actors (individuals, groups, or organisations) during periods of reforms. Secondly, it allows for identifying design elements constitutive of real-world institutional changes that the discipline-based approaches are more likely to miss.

In order to develop such an argument, this research has focused on three relationships– i.e. the relationships that Deng and Gorbachev formed with the policies of change, with the past and with the bureaucracy – while analysing Deng's era and Gorbachev's era reforms**.**

This study gives a more realistic and more useful representation of those relationships relative to the theory-informed literature on the Soviet and the Chinese reforms. This is so because it draws attention to the interconnectedness of those relationships; it also puts to use those relationships in order to interrogate the design of reforms in the two countries, and to discriminate good from poor reform designs. It also shows how the leader's exercise of power and the quality of the policy designs were deeply intertwined in both cases. Deng's interventions on the policy plane, as the data produced here shows, were consequential primarily because they were and temporarily and spatially consistent; Gorbachev's interventions were consequential because they lacked those qualities. The mainstream approaches to institutional change offer no basis for recognising this reality.

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Appendix A: Some notes on the sources used for the empirical analysis

The pages below explain the choice of sources used for analysing the reforms in China and the Soviet Union, the known biases of those sources, and how this research tried to control for them.

This research focused on the relationship that Deng and Gorbachev as reformers formed with the policies of change, history, and bureaucratic inertia**.** Relevant data on those relationships was extracted from the publicly available primary and secondary sources. [188] The consulted sources allowed those relationships to be considered from multiple angles.

Data produced by *direct participants* in the reformist processes in China and the Soviet Union – including documents, speeches and interviews, but also subsequent reflections by those participants – has been used extensively for the purposes of this analysis. Two 'voices' were followed closely: that of the leader and that of individuals occupying at some point the mid-echelons of power.

While assessing Deng and Gorbachev's input, this research has tried to be less aggressively interpretive and to leave room for the two leaders through their deeds and in their own words to state their case and, where possible, to engage in debate regarding change strategies and methods**.** Obviously, giving voice to politicians to state their case is something that should be done with caution (Hook 1957; Edinger 1978). However, this research asked *questions that the two leaders were willing to answer*, such as whether the logic of appropriateness or instrumentality should be used as a benchmark while making policy decisions? How to remedy the problem of bureaucratic inertia and drift? How to relate the past with the present? On each of these general questions, the two leaders spoke with clear, albeit different, voices. Focusing on those answers and their variances sufficed for the purposes of this analysis.

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[188] I use a loose definition for what constitutes a 'primary source' here. According to Mahoney and Villegas (2007:85), 'historical material such as government documents, newspapers, diaries, and bulletins that describe past events at roughly the time they were occurring' can be categorized as being primary sources.

For Deng, this research has relied on *Deng's Selected Works* (1994) – a three volume collection of Deng's most important speeches dating from 1950 till 1992. Gorbachev's discourse on change has been considered through books such as *Selected Speeches and Articles* (1986), *Perestroika* (1987) and *Memoirs* (1995).

A few clarifications are in order here regarding the sources' reliability and representativeness. *Deng's Selected Works*, as hinted at by the title itself, are not a simple chronological record of Deng's speeches. Expectedly, the CCP censors have edited some of the content of Deng's speeches before publishing the volumes. For instance, Ruan Ming (who was one of Deng's speechwriters during the early nineteen eighties) claims that a large part of Deng's actual speech from *May 30, 1980* has been omitted from the published version (Ruan 1994:79). Despite such interventions, it is generally accepted that *Deng's Selected Works* are indispensable in providing an overview of Deng's approach to the problem of reform.[189] Tsou (1984:323) in his review of the second volume of the collection (the volume that has been extensively used by this research), concludes that, despite some evident manipulations, the volume 'does provide a solid foundation for deepening our understanding of Chinese politics in the recent past and of the current situation [1984 era]'. The *Selected Works* still remain widely used by scholars. Vogel, for instance, in his relatively recent view on Deng and his reforms, claims that 'the three-volume work provides a useful account of many of his [Deng's] major policies' (2011:10). Three points are in order here. One, cross-checking and complementing the data found in Deng's *Selected Works* has been made easy due to an enduring interest in Deng among western scholars. We have accounts by social scientists and historians that rely on the Russian archives (Pantsov and Levine 2016), on the Chinese archives (Vogel 2011), accounts written by Deng's colleagues, speechwriters (Ruan 1994), family friends (Yung 1998) and family members (Mao Mao). Such literature complements and in some ways vouches for the representativeness of Deng's *Selected Works*. Secondly, Deng's speeches found in those volumes were devised and accepted by Deng's contemporaries as blueprints for reforms. Instead of being incoherent rants about the past, current and forthcoming triumphs of the Party, Deng's *Selected Works* provide something more analytically relevant. Thirdly, as a leader, Deng is relatively easy to read. He was not a great debater and his speeches were not intended to inspire but to communicate the do's and don'ts of reforms**.** Granted, Deng was the creator of some remarkably ambiguous statements such as 'socialism with Chinese characteristics'. That ambiguity, however, was functional and limited to interpreting the past and 'big questions' of ideology and principles. In contrast, Deng's speeches about the current situation or challenges ahead were imbued with clarity, directness, and, to a degree, simplicity**.**

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[189] The problem with the factual content of Deng's Selected Works is not as great as it appears at first. For one thing, there are more than 100 biographies written on Deng and they rely upon sources other than the *Selected Works* and this then allows for cross checking Deng's speeches for their accuracy. Furthermore, the interventions, as scholars who have analysed the *Selected Works* conclude, have been minimal.

Regarding the *representativeness* of the sources used regarding Gorbachev, the following issue should be mentioned. The book *Perestroika*, according to Brown (2007), does not fully reflect Gorbachev's ideas or intentions as reformer nor does it capture the evolution in Gorbachev's thinking. Although Brown's argument that Gorbachev's thought and intentions evolved after the defeat of his perestroika seemed eminent is controversial, it is true that (after 1989) Gorbachev was able to envision a future where the Soviet Union is no more and was wise enough not to resist it. After 1989, however, there was also a dramatic decline in support for Gorbachev's leadership, an institutional breakdown, and the emergence of alternatives. How Gorbachev's worldviews evolved amidst such circumstances was not that important for the purposes of this analysis. This research was more interested in Gorbachev's worldviews, and his understanding of the challenges of institutional change when he was at the *peak of his power*. For such purposes, the book *Perestroika* (in conjunction with the available records of Gorbachev's speeches and party meetings produced during that period) is probably the best referent**.**

In summary, although the primary sources used here are not vested with extreme exactness, they do provide useful approximations – namely, they allow us to discern the characteristic or recurring themes in Deng's and Gorbachev's deeds and words**.** This inquiry was conducted in accordance with such possibilities and limitations.

In order to acquire a different angle on phenomena such as the tension between the leader and bureaucratic actors, this research considered accounts written by state officials who at some point occupied the mid-echelons of power but were not part of the entourages of Deng and Gorbachev, respectively (for the Soviet Union, Ellman & Kontorovich 1998; Volkoganov 1998; Mau and Starodubrovskaya 2002; for China, Ruan 1994; Yizi et al. 1995). Accounts by mid-level state managers were favoured over those produced by elite actors such as Yeltsin (1989), Ligachev (1995), Zhao Zeyung (2009) for two reasons. For one, the writings of the former seemed to me to be less purposeful, or less burdened by the need to explain and defend the role of the authors in the reform process, and more concerned with producing good scholarship. For another, those non-elite actors seemed to be better suited to giving an account regarding questions such as, ‘How were those policy decisions made above perceived by the bureaucrats?’ or ‘What were the problems encountered by the bureaucrats while trying to implement those directives coming from above?’

With regard to secondary sources, this research has relied extensively upon political biographies and single case studies that focus on the role of leadership while examining the reforms in China and the Soviet Union (for Gorbachev’s era reforms, Sakwa 1990; Brown 1996; McCauley 1998; Hewett et al 1991; for Deng’s era reforms Ruan 1994; Vogel 2012; Levine and Pantsov 2015). Such studies were found to be useful here for their observations rather than their inferences. The number of such studies is measured in the hundreds, and this research has considered no more than a dozen. In each case, I have tried to include at least three biographical accounts which draw their observations from different sources in order to mitigate the potential impact of the biases or inaccuracies of any one such study.

This research did not discriminate regarding the accounts written during or relatively shortly after the end of perestroika and the four modernizations in favour of those written from a greater distance. The rationale was that accounts written around the time when the outcomes of perestroika and the four modernizations remained partially unknown (or scholars did not know what exactly to make of them) carry a certain virtue in that they tend to be more descriptive, and detail- oriented and less burdened by the imperative to explain why China succeeded whereas the Soviet Union failed with their reforms.

Studies that compare the reforms in China and the Soviet Union, such as Marsh (2005), Pei (1994), and Nolan (1994) were also consulted. These accounts had helped identify and understand the generic challenges that arise when comparing the two cases of reforms. March (2006), for instance, exposes the limits of doing a side-by-side comparison. Also, the uncoded or ‘value neutral’ comparative data from these accounts proved immensely useful for this analysis. Pei (1994 chap.5 and chap. 6), for instance, gives detailed comparative data on the transformation of the mass media during the intense policymaking periods in China and the Soviet Union. Such data can be discerned from the inferences that are made by its author and used for some alternative purposes. Within the context of this study, such data has helped understand how the two change projects differed in both concept and substance.

Theory-driven accounts of the reforms in China and the Soviet Union were of key interest to this research. The interest was in finding the intersections between mainstream theories of institutional/policy change and the realities of the cases. I identified arguments that are representative examples of those intersections and considered what they say about the role of leaders in the reforms and what they miss or misrepresent about the reforms in China and the Soviet Union. For the Soviet Union, the focus was placed upon arguments that emanate from or resonate with the interest group theories of policymaking. Brown (1996); Alsund (1989; 2007) and Miller's (2016) accounts were considered within this context. Granted, interest group models may not be the first association that these scholars or their studies evoke.[190] Nonetheless, they do try to explain Gorbachev's behaviour as a reformer by focusing on the constraints imposed by the strength and preferences of bureaucratic actors. If we consider some more representative examples of the interest group models (or public choice approaches) we can identify the same line of reasoning on dynamics of reform in the Soviet Union (see for instance Morrell and Olson 1990). For China, the focus was upon accounts that apply the incremental models of policymaking (Shirk 1994; Naughton 1995, 2007). Such accounts say very little about Deng directly – he is more often found in the footnotes (see Shirk 1994: 80, fn 16; Naughton 2008: fn 108) than in the paragraphs of such accounts. This is understandable given that the aim of such accounts is to show the presence of certain equilibria in China during Deng's era (and focusing upon one particular individual is not exactly complementary to such an aim). Nonetheless, they make explicit claims about the power constellations, the level of policy decisiveness, the degree to which Deng's era policies departed from the status quo; in doing so, they are invariably commenting upon Deng's role in the process.

The existing literature on the two cases lacks neither information nor interpretations and this study relied exclusively on sources published in English. A few concluding remarks on these topics are in order.

As regards the fact that the study of China and the Soviet Union is an oversaturated field, this has to be considered in light of the questions this research asks. In order to explore how leadership leads to a radically different perspective on the two cases of reforms, it is essential to have something already written on the cases so as to use it as a benchmark to measure that distinctiveness. Moreover, in order to be able to discuss trends in the scientific literature that deal with the reforms, we need to have more than a few accounts from which we can abstract those trends and consider their implications.

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[190] Jerry Hough's work, as someone who pioneered the study of the power of interest groups in Soviet politics, might seem as more representative of the interest group approaches. This is not the case. In his study on Gorbachev, Hough (1998) decisively rejects the usefulness of models that ascribe centrality to the strength and preferences of bureaucratic actors.

Regarding the decision to rely here upon sources published in English, two points are in order. Firstly, devising general arguments by manipulating and reinterpreting data which is easily accessible to the broader scholarly community is not necessarily a hindrance. Secondly, the amount of available value-neutral, uncoded data translated into English regarding the reforms in China and the Soviet Union which is relevant for this study is extraordinary.

On that note, this research did not interact with the available historical data in a superficial manner. Concerning Gorbachev's case, this research puts to use the transcript of the Politburo session from 4 April 1985. This is a detailed account of the moment which brought about one of the most extreme and consequential (for the economy) policies of perestroika. While we cannot claim with absolute certainty that the document is an unedited verbatim transcript of the April 4 Politburo session (on the nature of Soviet declassified materials, see Kramer 1999) we have no reason to suspect that the content has been deliberately manipulated or that important elements have been lost in the translation. Multiple alternative sources support the content of the document. The document has been translated into English by Svetlana Savranskaya, a noted supporter of Gorbachev (so whatever negative connotations the document has about Gorbachev seem credible). Gorbachev, who is still alive, does not deny the validity of the document. The gist of the document is that it turns upside down the narrative that Gorbachev was the voice of reason whereas others were not prepared to listen that voice**.** Thus, when this research claims that the effort to consider Gorbachev's conduct through the lenses of interest group approaches is artificial, born out of convenience, and thrives because of its resonance with certain forms of paradigmatic thinking, it takes into consideration something concrete – a record that points unambiguously in that direction.

This research also puts into perspective Deng's thesis that the failures of reform communism were primarily strategic in nature. Deng's thesis is unique, it carries important implications, and, to my knowledge, remains under-utilized. It is unique as most efforts to theorise (speculate) about the reform communism focus upon outcomes rather than processes, and predict failure. In contrast, Deng shifts the perspective from the system (its reformability or unreformability) to the past strategies of reforms and their fallacies. He brings to attention how those mass campaigns, the efforts to cut through bureaucratic resistance, and theory-driven approaches to policymaking are one and the same, and were leading to nowhere. Deng’s perspective upon reform communism deserves serious consideration as it gives a parsimonious account as to why Gorbachev failed where Deng succeeded. As a reformer, Deng practiced what he preached – namely, mass campaigns, a deductive approach to policymaking, and identifying the bureaucracy as being the enemy of reforms were not part of his arsenal. Gorbachev, on the other hand, proved to be an ardent devotee of those three methods. This perspective has been overlooked not because it is simplistic, ambiguous or implausible but because of its source. Stated differently, it is not difficult to see the analytical value of what Deng is saying, but bringing this into our analysis requires recognizing Deng as a thinking man; it requires a revision of the conventional approach towards individual agency.

Appendix B: Deng’s key reform speech

ON THE REFORM OF THE SYSTEM OF PARTY AND STATE LEADERSHIP

August 18, 1980

Comrades,

The main task of this enlarged meeting is to discuss the reform of the system of Party and state leadership and some related questions.

I

Changing the leadership of the State Council will be a major item on the agenda of the forthcoming Third Session of the Fifth National People's Congress. The proposed changes will include the following: Comrade Hua Guofeng will no longer hold the concurrent post of Premier, which will be assumed by Comrade Zhao Ziyang; Comrades Li Xiannian, Chen Yun, Xu Xiangqian, Wang Zhen and I will cease to serve concurrently as Vice-Premiers so that more energetic comrades can take over; Comrade Wang Renzhong will cease to serve concurrently as Vice-Premier, so that he can concentrate on his important job in the Party; and Comrade Chen Yonggui has asked to be relieved of his post of Vice-Premier and the Central Committee of the Party has decided to endorse his request. Moreover, following consultations with the organisations concerned, we are proposing some personnel changes for the posts of Vice-Chairmen of the Standing Committee of the National People's Congress and Vice-Chairmen of the National Committee of the Chinese People's Political Consultative

Conference. These changes have been repeatedly discussed by the Standing Committee of the Political Bureau of the Central Committee, and they will be incorporated into formal proposals which the Central Committee will submit to the forthcoming sessions of the NPC and the CPPCC for discussion and decision.

Why is the Central Committee proposing the above changes in the leadership of the State Council?

First of all, it is not good to have an over-concentration of power. It hinders the practice of socialist democracy and of the Party's democratic centralism, impedes the progress of socialist construction and prevents us from taking full advantage of collective wisdom. Over-concentration of power is liable to give rise to arbitrary rule by individuals at the expense of collective leadership, and it is an important cause of bureaucracy under the present circumstances.

Second, it is not good to have too many people holding two or more posts concurrently or to have too many deputy posts. There is a limit to anyone's knowledge, experience and energy. If a person holds too many posts at the same time, he will find it difficult to come to grips with the problems in his work and, more important, he will block the way for other more suitable comrades to take up leading posts. Having too many deputy posts leads to low efficiency and contributes to bureaucracy and formalism.

Third, it is time for us to distinguish between the responsibilities of the Party and those of the government and to stop substituting the former for the latter. Those principal leading comrades of the Central Committee who are to be relieved of their concurrent government posts can concentrate their energies on our Party work, on matters concerning the Party's line, guiding principles and policies. This will help strengthen and improve the unified leadership of the Central Committee, facilitate the establishment of an effective work system at the various levels of government from top to bottom, and promote a better exercise of government functions and powers.

Fourth, we must take the long-term interest into account and solve the problem of the succession in leadership. As precious assets of the Party and state, the older comrades shoulder heavy responsibilities. Their primary task now is to help the Party organisations find worthy successors to work for our cause. This is a solemn duty. It is of great strategic importance for us to ensure the continuity and stability of the correct leadership of our Party and state by having younger comrades take the ``front-line" posts while the older comrades give them the necessary advice and support.

These considerations are put forth by the Central Committee with a view to carrying out the necessary reform of the system of Party and state leadership. The Central Committee has already taken the first step so far as Party leadership is concerned by deciding at its Fifth Plenary Session [in February 1980] to re-establish the Secretariat. This Secretariat has done a remarkable job ever since its re-establishment. Now the proposed changes in the leadership of the State Council represent a first step in improving the system of government leadership. In order to meet the requirements of socialist modernization and of the democratization of the political life of the Party and state, to promote what is beneficial and eliminate what is harmful, many aspects of our system of Party and state leadership and of our other systems need to be reformed. We should regularly sum up historical experience, carry out intensive surveys and studies and synthesize the correct views so as to continue the reform vigorously and systematically, step by step from the central level on down.

II

The purpose of reforming the system of Party and state leadership and other systems is to take full advantage of the superiority of socialism and speed up China's modernization.

To take full advantage of the superiority of socialism, we should work hard, now and for some time to come, to achieve the following three major objectives: (1) In the economic sphere, to rapidly develop the productive forces and gradually improve the people's material and cultural life. (2) In the political sphere, to practise people's democracy to the full, ensuring that through various effective forms, all the people truly enjoy the right to manage state affairs and particularly state organs at the grass-roots level and to run enterprises and institutions, and that they truly enjoy all the other rights of citizens; to perfect the revolutionary legal system; to handle contradictions among the people correctly; to crack down on all hostile forces and criminal activities; and to arouse the enthusiasm of the people and consolidate and develop a political situation marked by stability, unity and liveliness. (3) In the organizational sphere, if we are to achieve these objectives, there is an urgent need to discover, train, employ and promote a large number of younger cadres for socialist modernization, cadres who adhere to the Four Cardinal Principles and have professional knowledge.

In the drive for socialist modernization, our objectives are: economically, to catch up with the developed capitalist countries; and politically, to create a higher level of democracy with more substance than that of capitalist countries. We also aim to produce more and better-trained professionals than they do. It may take us different lengths of time to attain these three objectives. But as a vast socialist country, we can and must attain them. The merits of our Party and state institutions should be judged on the basis of whether or not they help us advance towards our objectives.

I would now like to discuss at some length the question of making the best use organizationally of the superiority of socialism and of consciously renewing the leadership in Party and government organs at the different levels so as to bring increasing numbers of younger and professionally more competent persons into leading positions.

We should have freely promoted and used younger comrades with both professional knowledge and practical experience, on the condition that we bore in mind the four cardinal principles. For years, however, we failed to do so. Then, during the ``cultural revolution'', a great many of our cadres were persecuted by Lin Biao and the Gang of Four, and our cadre work suffered seriously. That's one of the reasons why most of our present leaders at various levels are too old. The question of qualified personnel is mainly one of organizational line. We need to turn out large numbers of trained people, and our major task at present is to discover and promote fine young and middle-aged cadres, even if we have to bypass certain regulations. This is not just the whim of a few veteran comrades: it is an objective and pressing need of our modernization drive.

Some comrades worry that in promoting young and middle-aged cadres we might select some factionalists or even some individuals who engaged in beating, smashing and looting during the ``cultural revolution''. Their concern is not entirely groundless, because the leading bodies in some localities and departments have yet to be well consolidated and factionalists might seize upon the promotion of young and middle-aged cadres as an opportunity to upgrade their own followers. As I said in my speech of January 6 this year, we must not underestimate the residual influence of the Gang of Four in the organizational and ideological fields, and we must be clear-headed on this point. Those who rose to prominence by following Lin Biao, Jiang Qing and their like in ``rebellion", those who are strongly factionalist in their ideas and those who engaged in beating, smashing and looting must never be promoted -- not a single one of them. And any who are already in leading posts must be removed without the slightest hesitation. They could do untold harm if, relaxing our vigilance, we allowed even a few to occupy leading posts, engage in further double-dealing, gang up with each other and conceal themselves in our ranks.

Some comrades argue that it is better to promote cadres one step at a time. In fact, I said so too in 1975 when expressing my disapproval of the erroneous practices during the ``cultural revolution". We shall never repeat the mistake of elevating cadres so quickly that they soar like a rocket or a helicopter. Generally speaking, promoting cadres step by step means that they should go through the process of learning their profession, tempering themselves, working among the masses, and accumulating experience. But we can't stick to the old concept of a ``staircase" forever. In promoting cadres we can't limit ourselves to having them step up from the district to the county level, then to the prefectural and provincial levels, as the present system in the Party and government requires. All trades and professions should have their own ``staircases" as well as their own job categories and professional titles. With the advance of our socialist construction, we shall work out new requirements and new methods for the promotion of cadres and the use of trained personnel in the trades and professions. In future, many positions will be filled and titles granted solely on the basis of examinations. Only by doing away with the outdated concept of the ``staircase", or by creating new staircases suited to the new situation and tasks, can we boldly break through the conventions in promoting cadres. But whether the staircases are new or old, we must not just pay lip-service to the necessity of promoting young and middle-aged cadres. We must see to it that the really outstanding ones are indeed promoted, and promoted in good time. We must not be too hasty in this matter, but if we are too slow we will retard our modernization programme. Hasn't it already been delayed long enough? Exceptional candidates should be provided with a sort of light ladder so they can come up more quickly, skipping some rungs. It is to make room for the young and middle-aged cadres that we have proposed reducing concurrent posts and eliminating over-concentration of power. How can they come up the staircase if all the steps are occupied, or if they aren't allowed to occupy the empty ones?

Some comrades worry that the young people may be too inexperienced and not equal to the tasks. As I see it, there's no need for worry. When we say a person is experienced or inexperienced, we are only talking in relative terms. To be frank, isn't it true that even old cadres may lack experience in dealing with the new problems in our modernization drive and may make mistakes on that account? Yes, younger people generally have less experience. But if you think back, many of us were in our twenties or thirties when we became higher cadres and were given rather important tasks. We should admit that some of the young and middle-aged comrades of today are no less knowledgeable than we were then. It is owing to objective conditions that they have not been adequately tested in struggle and have not gained sufficient experience as leaders. After all, if it's not your job, you don't worry about it. Give young and middle-aged comrades the job and they will gradually become competent. Most of the seven to eight million people graduated from universities, colleges and vocational secondary schools since Liberation are of worker or peasant origin and have gone through more than 10 years of tempering. Despite their lack of college or vocational secondary education, some young and middle-aged cadres do have practical experience. Their level of general knowledge is relatively low, but surely many of them can become ``red and expert", provided they are given systematic training and education. Furthermore, there are many young and middle-aged people who have become qualified through diligent independent study. And among the educated youth who have settled in the rural areas, quite a few have acquired special skills by sharing the life of the masses and studying hard on their own. As a matter of fact, many young and middle-aged cadres have already become the mainstay in various fields of work. They understand the masses and the actual situation better than those cadres who are far removed from the grass roots. In much of our work, it is mainly these young and middle-aged cadres that we rely on. However, they have no power to make decisions, because they have not been duly promoted. So they have no choice but to keep asking for instructions from above. This has become a major cause of our bureaucratism. To sum up, we must never underestimate this large contingent of young and middle-aged cadres. Many of them are politically sound and are not involved in factionalism; their thinking is on the right track and they possess a fair amount of professional knowledge. So why shouldn't we select and use them, bypassing the conventional rules? In some enterprises and other units, cadres who volunteered for leading posts or were elected to them by the masses have achieved much in little time and proved more capable than cadres appointed from above. Doesn't that give us food for thought? Qualified young and middle-aged cadres are to be found everywhere. For years they disapproved of the evil-doings of Lin Biao, Jiang Qing and their ilk in the ``cultural revolution" and carried on active or passive resistance. They have conducted themselves well politically and are professionally competent and willing to work hard. Such people can be found in all trades, professions and units. The problem is that we have failed to discover and promote them. As for those people who are well trained but who, for a time, were misled by Lin Biao, Jiang Qing and the like and so made some mistakes, we should not discard them if they have really become conscious of their mistakes and changed their attitude. More than a few of our comrades limit their vision to the people around them and invariably pick for promotion people they happen to know, instead of selecting the best by going deep among the masses. This, too, is bureaucracy of a sort.

We must draw lessons from the ``cultural revolution". At the same time, we must be soberly aware of the enormous task of modernization confronting our country and of the fact that a great many of our cadres are not up to its requirements. We must endeavour to overcome short-sightedness and to take the long-term view. Now that we are equipped with correct ideological, political and organizational lines, we can certainly promote to leading positions a large number of fine young and middle-aged people so that our cause will be assured of successors who are, if possible, better than their predecessors. We can do so provided we work boldly yet carefully, conduct thorough investigation and study, and ask as many people as possible for their opinions.

Comrade Chen Yun said that in selecting cadres we should stress political integrity and professional competence. By political integrity he meant principally keeping to the socialist road and upholding leadership by the Party. With this as a prerequisite, he added, we should see to it that our cadres are younger on the average, better educated and better qualified professionally. Comrade Chen Yun said, moreover, that the employment and promotion of such cadres should be institutionalized. These ideas of his are very good. Many comrades pay scant attention not only to the problem of lowering the average age level of our cadres, but also to the problem of their becoming better educated and acquiring professional knowledge. This is yet another evil result of the long period of ``Left" thinking about the question of intellectuals.

The problem facing us is that, in addition to the way of thinking of quite a few cadres, the existing organizational system also works against the selection and use of the trained persons who are so badly needed for China's four modernizations. We hope that Party committees and organizational departments at all levels will make major changes in this area, resolutely emancipate their minds, overcome all obstacles, break with old conventions and have the courage to reform outmoded organizational and personnel systems. We also hope that they will try hard to discover, train and employ excellent, qualified persons by bypassing the conventional rules and that they will firmly oppose any move to keep such people down or to waste their talent. After the many tests of the past dozen years the political attitudes of our young and middle-aged comrades are basically clear to both the leadership and the rank and file. With veteran comrades still around, we should be able to select the right cadres if we combine the efforts of the leaders and the masses. We should, of course, proceed with this work methodically but not too slowly. If we fail to seize the present opportunity and leave the solution of this problem until the veterans are all gone, we'll have waited too long and it will be much more difficult. We old comrades will have made a major historical mistake.

III

Some of our current systems and institutions in the Party and state are plagued by problems which seriously impede the full realization of the superiority of socialism. Unless they are conscientiously reformed, we can hardly expect to meet the urgent needs of modernization and we are liable to become seriously alienated from the masses.

As far as the leadership and cadre systems of our Party and state are concerned, the major problems are bureaucracy, over-concentration of power, patriarchal methods, life tenure in leading posts and privileges of various kinds.

Bureaucracy remains a major and widespread problem in the political life of our Party and state. Its harmful manifestations include the following: standing high above the masses; abusing power; divorcing oneself from reality and the masses; spending a lot of time and effort to put up an impressive front; indulging in empty talk; sticking to a rigid way of thinking; being hidebound by convention; overstaffing administrative organs; being dilatory, inefficient and irresponsible; failing to keep one's word; circulating documents endlessly without solving problems; shifting responsibility to others; and even assuming the airs of a mandarin, reprimanding other people at every turn, vindictively attacking others, suppressing democracy, deceiving superiors and subordinates, being arbitrary and despotic, practising favouritism, offering bribes, participating in corrupt practices in violation of the law, and so on. Such things have reached intolerable dimensions both in our domestic affairs and in our contacts with other countries.

Bureaucracy is an age-old and complex historical phenomenon. In addition to sharing some common characteristics with past types of bureaucracy, Chinese bureaucracy in its present form has characteristics of its own. That is, it differs from both the bureaucracy of old China and that prevailing in the capitalist countries. It is closely connected with our highly centralized management in the economic, political, cultural and social fields, which we have long regarded as essential for the socialist system and for planning. Our leading organs at various levels have taken charge of many matters which they should not and cannot handle, or cannot handle efficiently. These matters could have been easily handled by the enterprises, institutions and communities at the grass-roots level, provided we had proper rules and regulations and they acted according to the principles of democratic centralism. Difficulties have arisen from the custom of referring all these things to the leading organs and central departments of the Party and government: no one is so versatile that he can take on any number of complex and unfamiliar jobs. This can be said to be one of the main causes of the bureaucracy peculiar to us today. Another cause of our bureaucracy is that for a long time we have had no strict administrative rules and regulations and no system of personal responsibility from top to bottom in the leading bodies of our Party and government organisations and of our enterprises and institutions. We also lack strict and explicit terms of reference for each organization and post so that there are no rules to go by and most people are often unable to handle independently and responsibly the matters, big or small, which they should handle. They can only keep busy all day long making reports to higher levels, seeking instructions from them, writing comments on documents and passing them around. Some people are seriously afflicted with selfish departmentalism: they are always ducking responsibility, jockeying for power and wrangling with others, thinking only of the interests of their own unit. What is more, we have no regular methods for recruiting, rewarding and punishing cadres or for their retirement, resignation or removal. Whether they do their work well or poorly, they have ``iron rice bowls". They can be employed but not dismissed, promoted but not demoted. These things inevitably result in overstaffing and in too many administrative levels and deputy and nominal posts, all of which, in turn, foster the proliferation of bureaucracy. Hence the necessity for radical reform of these systems. Of course, bureaucracy is also connected with ways of thinking, but these cannot be changed without first reforming the relevant systems. That is why we have made so little headway in our repeated attempts to reduce bureaucracy. Much work, including education and ideological struggle, has to be done to solve the problems I have mentioned in the various systems. But it must be done, or it will be impossible for us to make substantial progress in our economic and other work.

Over-concentration of power means inappropriate and indiscriminate concentration of all power in Party committees in the name of strengthening centralized Party leadership. Moreover, the power of the Party committees themselves is often in the hands of a few secretaries, especially the first secretaries, who direct and decide everything. Thus ``centralized Party leadership" often turns into leadership by individuals. This problem exists, in varying degrees, in leading bodies at all levels throughout the country. Over-concentration of power in the hands of an individual or of a few people means that most functionaries have no decision-making power at all, while the few who do are overburdened. This inevitably leads to bureaucratism and various mistakes, and it inevitably impairs the democratic life, collective leadership, democratic centralism and division of labour with individual responsibility in the Party and government organisations at all levels. This phenomenon is connected to the influence of feudal autocracy in China's own history and also to the tradition of a high degree of concentration of power in the hands of individual leaders of the Communist Parties of various countries at the time of the Communist International. Historically, we ourselves have repeatedly placed too much emphasis on ensuring centralism and unification by the Party, and on combating decentralism and any assertion of independence. And we have placed too little emphasis on ensuring the necessary degree of decentralization, delegating necessary decision-making power to the lower organisations and opposing the over-concentration of power in the hands of individuals. We have tried several times to divide power between the central and local authorities, but we never defined the scope of the functions and powers of the Party organisations as distinct from those of the government and of economic and mass organisations. I don't mean that there is no need to emphasize centralism and unification by the Party, or that it is wrong to emphasize them under any circumstances, or that there is never any need to oppose decentralism or the assertion of independence. The problem is that we have gone too far in these respects, and we have even failed to clarify what we mean by decentralism and assertion of independence in the first place. Now that ours has become the ruling party in the whole country, and especially since we have basically completed the socialist transformation of the ownership of the means of production, the Party's central task is different from what it was in the past. Now that we are engaged in the extremely difficult and complicated task of socialist construction, over-concentration of power is becoming more and more incompatible with the development of our socialist cause. The long-standing failure to understand this adequately was one important cause of the ``Cultural Revolution", and we paid a heavy price for it. There should be no further delay in finding a solution to this problem.

Besides leading to over-concentration of power in the hands of individuals, patriarchal ways within the revolutionary ranks place individuals above the organization, which then becomes a tool in their hands. Patriarchal ways are an antiquated social phenomenon which has existed from time immemorial and has had a very damaging influence on the Party. Chen Duxiu, Wang Ming and Zhang Guotao were all patriarchal in their ways. During the period from the Zunyi Meeting of the Political Bureau of the Central Committee [in 1935] to the socialist transformation [in the mid-50s], the Central Committee and Comrade Mao Zedong invariably paid due attention to collective leadership and democratic centralism, so that democratic life within our Party was quite normal. Unfortunately, this fine tradition has not been upheld, nor has it been incorporated into a strict and perfected system. For example, when major issues are discussed inside the Party, very often there is insufficient democratic deliberation. Hasty decisions are made by one or a few individuals and votes are seldom taken, as they should be under the principle of majority rule. This shows that democratic centralism has not yet become a strictly applied system. After the criticism of the opposition to rash advance in 1958 and the campaign against ``Right deviation" in 1959, democratic life in the Party and state gradually ceased to function normally. There was a constant growth of such patriarchal ways as letting only one person have the say and make important decisions, practising the cult of personality and placing individuals above the organization. Lin Biao1 propagated the ``peak theory", saying that Chairman Mao's words were supreme instructions. This theory was widespread throughout the Party, army and country. After the smashing of the Gang of Four, the personality cult continued for a period of time. Commemorative activities in honour of some other leaders also sometimes smacked of the cult of personality. Recently, the Central Committee issued a directive insisting that there should be less publicity for individuals. It pointed out, among other things, that improper commemorative methods not only mean extravagance and waste and lead to divorce from the masses, but also imply that history is made by a few individuals -- a notion which is detrimental to education in Marxism inside and outside the Party and to the elimination of feudal and bourgeois ideological influences. This directive, which contained some regulations designed to correct undesirable practices, is a very significant document. Here I must also mention that after 1958 residential quarters were built in many places for Comrade Mao Zedong and some other comrades on the Central Committee, and that after the downfall of the Gang of Four work still continued on some such building projects in Zhongnanhai. All this had a very bad influence and entailed much waste. Furthermore, to this day a few high-ranking cadres are still given welcoming and farewell banquets, and traffic is held up and great publicity made wherever they go. This is most improper. All the practices I have mentioned, which seriously alienate us from the masses, must be banned at all levels from the top down.

Many places and units have their patriarchal personages with unlimited power. Everyone else has to be absolutely obedient and even personally attached to them. One of our organizational principles is subordination of the lower Party organisations to the higher, which means that a lower organization must implement the decisions and instructions from the higher one. This does not, however, preclude relations of equality among Party comrades. All Party members, those who take on leadership work as well as the rank and file, should treat each other as equals, equally enjoy all rights to which they are entitled and fulfil all the duties they are expected to perform. Comrades at the higher levels should not imperiously order about those at lower levels, and they certainly must not make them do anything in violation of the Party Constitution or the country's laws. No one should fawn on his superiors or be obedient and ``loyal'' to them in an unprincipled way. The relationship between a superior and a subordinate must not be the one repeatedly criticized by Comrade Mao Zedong, the relationship between cat and mouse. Nor should it be like the relations in the old society between monarch and subject, or father and son, or the leader of a faction and his followers. The patriarchal ways I have described are partly responsible for the grave mistakes some comrades make. Even the formation of the counter-revolutionary cliques of Lin Biao and Jiang Qing was inseparable from the patriarchal ways surviving inside the Party. In a word, unless such ways are eliminated once for all, the practice of inner-Party democracy in particular and of socialist democracy in general is out of the question.

Tenure for life in leading posts is linked both to feudal influences and to the continued absence of proper regulations in the Party for the retirement and dismissal of cadres. The question of retirement did not arise during the period of revolutionary wars when we were all still young, nor in the fifties when we were all in the prime of life, but it was unwise of us not to have solved the problem later. Still, it should be acknowledged that it could not have been solved, or at least not completely, under the conditions then prevailing. In the draft of the revised Party Constitution discussed at the Fifth Plenary Session of the Eleventh Central Committee, it was proposed that life tenure in leading posts be abolished. As we see it now, this provision needs to be further revised and supplemented. What is essential is to improve the systems of election, recruitment, appointment, removal, assessment, impeachment and rotation of cadres and, in the light of specific conditions, to work out appropriate and explicit regulations for the terms of office and retirement of leading cadres of all categories and at all levels (including those elected, appointed or invited). No leading cadre should hold any office indefinitely.

During the ``Cultural Revolution'', Lin Biao and the Gang of Four did everything to procure a privileged life style for themselves and inflicted great suffering upon the masses. At present there are still some cadres who, regarding themselves as masters rather than servants of the people, use their positions to seek personal privileges. This practice has aroused strong mass resentment and tarnished the Party's prestige. Unless it is firmly corrected, it is bound to corrupt our cadres. The privileges we are opposed to today are political and economic prerogatives not provided for by law or the existing regulations. The appetite for personal privilege shows that there are still lingering feudal influences. From old China we inherited a strong tradition of feudal autocracy and a weak tradition of democratic legality. Moreover, in the post-Liberation years we did not consciously draw up systematic rules and regulations to safeguard the people's democratic rights. Our legal system is far from perfect and has not received anywhere near the attention it deserves. Privileges are sometimes restricted, criticized and attacked, but at other times they are allowed to proliferate again. To eradicate privilege, we must solve both the ideological problems involved and problems relating to rules and regulations. All citizens are equal before the law and the existing rules and regulations, and all Party members are equal before the Party Constitution and regulations on Party discipline. Everyone has equal rights and duties prescribed by law, and no one may gain advantages at others' expense or violate the law. Whoever does violate the law must be subjected to investigation by the public security organs and brought to justice by the judicial organs according to law. No one is allowed to interfere with law enforcement, and no one who breaks the law should go unpunished. No one may violate the Party Constitution or discipline, and anyone who does must be subjected to disciplinary action. No one is allowed to interfere with the enforcement of Party discipline, and no one who does should be allowed to escape disciplinary sanctions. Only when these principles are implemented resolutely can such problems as the pursuit of privilege and the violation of law and discipline be eliminated for good. There must be a system of mass supervision so that the masses at large and the Party rank and file can supervise the cadres, especially the leading cadres. The people have the right to expose, accuse, impeach, replace and recall, according to law, all those who seek personal privileges and refuse to change their ways despite criticism and education. The people have the right to demand that these persons pay for what they have unlawfully taken and that they be punished according to law or through disciplinary measures. Regulations must be worked out governing the scope of powers attached to particular posts and the political seniority and material benefits of cadres at all levels. Here, the most important thing is to have definite organisations to exercise impartial supervision.

It is true that the errors we made in the past were partly attributable to the way of thinking and style of work of some leaders. But they were even more attributable to the problems in our organizational and working systems. If these systems are sound, they can place restraints on the actions of bad people; if they are unsound, they may hamper the efforts of good people or indeed, in certain cases, may push them in the wrong direction. Even so great a man as Comrade Mao Zedong was influenced to a serious degree by certain unsound systems and institutions, which resulted in grave misfortunes for the Party, the state and himself. If even now we still don't improve the way our socialist system functions, people will ask why it cannot solve some problems which the capitalist system can. Such comparisons may be one-sided, but we must not just dismiss them on that account. Stalin gravely damaged socialist legality, doing things which Comrade Mao Zedong once said would have been impossible in Western countries like Britain, France and the United States. Yet although Comrade Mao was aware of this, he did not in practice solve the problems in our system of leadership. Together with other factors, this led to the decade of catastrophe known as the ``Cultural Revolution". There is a most profound lesson to be learned from this. I do not mean that the individuals concerned should not bear their share of responsibility, but rather that the problems in the leadership and organizational systems are more fundamental, widespread and long-lasting, and that they have a greater effect on the overall interests of our country. This is a question that has a close bearing on whether our Party and state will change political colour and should therefore command the attention of the entire Party.

Some serious problems which appeared in the past may arise again if the defects in our present systems are not eliminated. Only when these defects are resolutely removed through planned, systematic, and thorough reforms will the people trust our leadership, our Party and socialism. Then our cause will truly have a future of boundless promise.

We cannot discuss the defects in our system of Party and state leadership without touching upon Comrade Mao Zedong's mistakes in his later years. The resolution on certain questions in the history of our Party since the founding of the People's Republic of China, a document now being drafted, will include a systematic exposition of Mao Zedong Thought and a reasonably comprehensive assessment of Comrade Mao's own merits and demerits, including criticism of his mistakes during the ``Cultural Revolution". As thoroughgoing materialists, we Communists cannot but accept what should be accepted and reject what should be rejected, basing our judgement strictly on facts. Comrade Mao rendered immortal service to our Party, our country and our people throughout his life. His contributions are primary and his mistakes secondary. But to avoid mentioning his mistakes because of his contributions would not be a materialist approach. Neither is it a materialist approach to deny his contributions because of his mistakes. The ``Cultural Revolution" was a blunder and a failure because it ran completely counter to the scientific tenets of Mao Zedong Thought. These tenets, which have been tested and proved correct through long years of practice, not only guided us to victory in the past but will remain our guiding ideology in the years of struggle ahead. It is incorrect and against the fundamental interests of the Chinese people to have any doubt or to waver to any degree on this important principle of our Party.

IV

Now I come to the question of eliminating the influence of feudalism and of bourgeois thinking.

All the defects I have just described bear the stamp of feudalism to one degree or another. Of course, surviving feudal influences are not manifested only in such defects. They are also to be seen in, for example, a lingering clan mentality and hierarchy in social relations, in certain instances of assumed inequality of status in the relations between leading comrades and their subordinates and between cadres and the masses, in a weak sense of the rights and duties of citizens, and in certain ``mandarin" systems and high-handed work styles in industry, commerce and agriculture. In addition, there is excessive emphasis on regional and departmental jurisdictions in the management of economic work, which has led to compartmentalization and the tendency to profit at the expense of others. This has sometimes created unnecessary difficulties between two socialist enterprises or regions. The surviving influences of feudalism are also manifest in the autocratic style of work of some persons in the cultural sphere, in the failure to recognise how vital science and education are to socialism and how impossible it is to build socialism without them, in a closed-door policy and ignorant chauvinism in foreign relations, and so on and so forth. And let's look at clannish practices. During the ``cultural revolution", when someone got to the top, even his dogs and chickens got there too; likewise, when someone got into trouble, even his distant relatives were dragged down with him. This situation became very serious. Even now, the abominable practice of appointing people through favouritism and factionalism continues unchecked in some regions, departments and units. There are quite a few instances where cadres abuse their power so as to enable their friends and relations to move to the cities or to obtain jobs or promotions. It is thus clear that the residual influences of clannishness must not be underestimated. We need to exert ourselves if these problems are to be solved.

Through 28 years of new-democratic revolution we succeeded in overthrowing once for all the reactionary feudal regime and the feudal system of landownership. However, we did not complete the task of eliminating the surviving feudal influences in the ideological and political fields, because we underestimated their importance and because we quickly proceeded to the socialist revolution. Now it is essential to state clearly that we must continue to labour at this task and that we must carry out a series of effective reforms in our institutions. Otherwise, our country and people will suffer further losses.

To accomplish this task we must adopt the scientific approach of seeking truth from facts and apply Marxism-Leninism and Mao Zedong Thought in making a concrete and accurate analysis of the manifestations of the lingering influences of feudalism. First and foremost, we must draw a clear line of demarcation between socialism and feudalism and never allow anyone to oppose socialism under the pretext of opposing feudalism or to use the kind of phoney socialism advocated by the Gang of Four to promote feudalism. Second, we must carefully distinguish between the democratic values in our cultural heritage and the feudal dross, and between the lingering feudal influences and certain unscientific methods and unsound procedures in our work resulting from lack of experience. We should guard against raising yet another storm and indiscriminately labelling everything ``feudal''.

For most of the cadres and the masses, the process of eliminating surviving feudal influences is a kind of self-education and self-remoulding, which will enable them to free themselves from such influences, emancipate their minds, raise their political awareness, adapt themselves to the needs of our modernization programme and thus make contributions to the people, society and mankind. In endeavouring to eliminate these influences, we must stress the need to effectively restructure and improve the systems of the Party and state in such a way as to ensure institutionally the practice of democracy in political life, in economic management and in all other aspects of social activity and thus to promote the smooth progress of modernization. To this end we must conduct conscientious investigations and studies, compare the experience of other countries and work out realistic plans and measures by drawing on collective wisdom. We should not think that we have only to ``put destruction first'' and construction will follow automatically. It must be made very clear that no anti-feudal political movement or propaganda campaign should be launched. There should be no political criticism of the kind that has been directed at some individuals in the past, and still less should there be struggles directed against either the cadres or the masses. Historical experience has shown that no problem of mass ideological education was ever solved by launching a mass movement instead of organizing exhaustive persuasion and calm discussion, and that no currently functioning systems were ever reformed or new ones established by substituting a mass movement for solid, systematic measures. This is true because solving the ideological problems of the masses and concrete problems in the organizational and work systems in a socialist society is, in principle, fundamentally different from cracking down on counter-revolutionaries and destroying the reactionary system in the period of revolution.

While working to eliminate feudal influence in the political and ideological fields, we must not in the least neglect or slacken criticism of bourgeois and petty-bourgeois ideologies, of ultra-individualism and anarchism. Which of the two influences -- feudal or bourgeois -- is more serious? There can never be one answer to this question, because the extent of the influence may vary greatly, depending on the geographical region or the sector of work involved, the particular issue under consideration, and the ages, personal experience and cultural backgrounds of the persons affected. Furthermore, in our society, which was a semi-feudal and semi-colonial one for more than a century, feudal ideology is in some cases intermingled with bourgeois ideology and the slavish colonial mentality, and the three are sometimes inseparable. With the increasing international contacts of recent years, instances of worshipping things foreign, or fawning on foreigners have begun to appear, owing to the influence of the decadent ideology, work style and way of life of the bourgeoisie abroad. And such phenomena may increase in the future. This is a by no means trivial problem, and we must take it seriously and solve it.

China may be backward in economic and cultural development, but it is not necessarily backward in everything. Some foreign countries may be advanced in technology and management, but they are not necessarily advanced in everything. Our Party and people established a socialist system after long years of bloody struggle. After all, although our socialist system is still imperfect and has suffered disruption, it is much better than the capitalist system based on the law of the jungle and the principle of ``getting ahead'' at the expense of others. Our system will improve more and more with the passage of time. By absorbing the progressive elements of other countries, it will become the best in the world. Capitalism can never achieve this. It is absolutely wrong to lose faith in socialism and think that it is inferior to capitalism just because we have made mistakes in our practice of socialist revolution and construction. It is also absolutely wrong to think that in trying to eliminate surviving feudal influences we may spread capitalist ideology. We must firmly repudiate these wrong ideas and check their spread. By upholding the principle ``to each according to his work" and by recognizing material interests we intend to increase the material well-being of the entire people. Everyone is bound to have material interests, but this in no sense means that we encourage people to work solely for their personal material interests without regard for the interests of the state, the collective and other people, or that we encourage people to put money above all else. If we did that, what would be the difference between socialism and capitalism? We have maintained all along that in a socialist society there is a basic community of interests between the state, the collective and the individual. If they clash, it is the individual interests which should be subordinated to those of the state and the collective. Where necessary, all people with a high level of revolutionary consciousness should sacrifice their personal interests for those of the state, the collective and the people. We should make more efforts to disseminate this noble outlook among our people, especially the young people.

We have some young people now, including children of cadres, and even some cadres themselves, who have violated the law and regulations, accepted bribes and engaged in smuggling, speculation and profiteering so as to make money or to find a way to go abroad -- at the expense of their own moral integrity, the dignity of our state and national self-respect. This is despicable. In the last couple of years, some pornographic, obscene, filthy and repulsive photographs, films, publications and the like have been smuggled into our country through different channels. These things have tended to debase the standards of social conduct and corrupt some young people and cadres. If we allow this plague to spread unchecked, it will affect many weak-willed persons and bring about their moral and mental degradation. Organisations at all levels should pay earnest attention to this problem and take firm and effective measures to ban and destroy this decadent rubbish and make sure that no more of it is allowed to enter China. Furthermore, in our domestic economic work, increasing numbers of individuals, groups and even enterprises and other units are engaging in illegal practices by distorting our economic policies and taking advantage of loopholes in our system of economic management. We must be constantly on guard against such illegal, anti-socialist activities and struggle against people who engage in them.

To sum up, elimination of surviving feudal influences must be combined with the criticism of decadent bourgeois ideas, such as the notion of putting profit above everything else and trying to ``get ahead" at the expense of others.

Naturally, we should adopt a scientific approach towards capitalism and towards bourgeois ideas. Not long ago, in order to educate people in the revolutionary outlook, some localities again raised the slogan, ``Foster proletarian ideology and eliminate bourgeois ideology". I read the relevant documents and didn't find anything wrong at the time. As I see it now, however, this old slogan is neither comprehensive nor precise enough. For lack of sufficient investigation and analysis, certain comrades have criticized as ``capitalism" some of our current reforms, which are useful to the development of production and the socialist cause as a whole. They are wrong in this. We need to make further studies and correctly specify just what are the bourgeois ideas that should be sternly criticized and prevented from spreading, what are the capitalist tendencies in our economic life that should be firmly resisted and overcome, and what is the correct method of criticism. We must do this if we don't want to repeat past mistakes.

V

The Central Committee of the Party has repeatedly examined the question of reforming our system of Party and state leadership. Some reform measures were initiated following the Fifth Plenary Session of the Central Committee, others will be put forward at the Third Session of the Fifth National People's Congress, and still others will be adopted when conditions are ripe. In addition to the reforms I have already referred to, we are planning to gradually introduce the following major changes:

First, the Central Committee will submit proposals for revising the Constitution of the People's Republic of China to the Third Session of the Fifth National People's Congress. Our Constitution should be made more complete and precise so as to really ensure the people's right to manage the state organs at all levels as well as the various enterprises and institutions, to guarantee to our people the full enjoyment of their rights as citizens, to enable the areas inhabited by minority nationalities to exercise genuine regional autonomy, to improve the system of people's congresses, and so on. The principle of preventing the over-concentration of power will also be reflected in the revised Constitution.

Second, the Central Committee has already set up its Commission for Discipline Inspection, and is now considering the establishment of an advisory commission (which may be given a different name). Together with the Central Committee itself, these commissions are to be elected by the National Congress of the Party, and their respective functions and powers are to be specified. In this way, a great many veteran comrades who have been working in the Central Committee and the State Council will be able to put their experience to full use by giving guidance, advice and supervision. At the same time, the regular executive bodies of the Central Committee and the State Council will become more compact and efficient and the average age of their personnel will gradually go down.

Third, a truly effective work system will be set up for the State Council and the various levels of local government. From now on, all matters within the competence of the government will be discussed and decided upon, and the relevant documents issued, by the State Council and the local governments concerned. The Central Committee and local committees of the Party will no longer issue directives or take decisions on such matters. Of course, the work of the government will continue to be carried out under the political leadership of the Party. Strengthening government work means strengthening the Party's leadership.

Fourth, step by step and in a planned manner we should reform the system under which the factory director or manager assumes responsibility under the leadership of the Party committee. We should first experiment with this reform in selected units, then gradually introduce it into more units, instituting a system under which factory directors and managers assume responsibility under the leadership and supervision of the factory management committee, the board of directors of the company, and the joint committee of united economic entities. We should also consider reforming the system under which university and college presidents and heads of research institutes assume responsibility under the leadership of the Party committee. Through our experience over a long period of time, the old system of factory management has proven unfavourable to the modernization of both factory management and the industrial management system, and also to improvement of Party's work in factories. These reforms are designed to free the Party committees of routine matters, enabling them to concentrate on conducting ideological and political work and to take charge of organization and supervision. This does not weaken but improves and strengthens the leadership of the Party. The administrators of various units should conscientiously study the relevant managerial and technical skills, but they should not be engrossed in meetings for too long a period of time, remaining always laymen. If this were the case, we could never accomplish the goal of modernization. Most of these administrators are Party members. When the management system is reformed, the directors and managers should accept the leadership of higher-level administrative departments, the political leadership of higher-level Party organisations, and supervision by Party organisations at the same levels. The responsibilities of Party organisations at the same levels will not be diminished, rather, Party work will truly be strengthened. The Party organisations in factories, companies, colleges, schools and research institutes should educate all Party members well, do solid mass work and encourage Party members to play exemplary vanguard roles at their posts. The Party organisations should truly become the backbone of all enterprises and institutions and educate and supervise all Party members, so as to ensure the implementation of the Party's political line and the accomplishment of all tasks. Considering that this reform has a great impact on a large number of primary Party organisations throughout the country, we should continue to solicit opinions from all walks of life before making the decision to introduce this reform when conditions are ripe.

Fifth, congresses or conferences of representatives of workers and office staff will be introduced in all enterprises and institutions. That was decided long ago. The question now is how to popularize and perfect the system. These congresses or conferences have the right to discuss and take decisions on major questions of concern to their respective units, to propose to the higher organisations the recall of incompetent administrators, and to introduce -- gradually and within appropriate limits -- the practice of electing their leaders.

Sixth, Party committees at all levels are genuinely to apply the principle of combining collective leadership and division of labour with individual responsibility. It should be made clear which matters call for collective discussion and which fall within the competence of individuals. Major issues must certainly be discussed and decided upon by the collective. In the process of taking decisions, it is essential to observe strictly the principle of majority rule and the principle of one-man-one-vote, a Party secretary being entitled only to his single vote. That is, the first secretary must not take decisions by himself. Once a collective decision is taken, it should be carried out by all members, each taking his own share of responsibility. No buck-passing should be allowed on any account, and those who neglect their duties should be penalized. As the top person in the collective leadership, the first secretary of a Party committee must assume chief responsibility for its day-to-day work, while among its other members the stress should be on individual responsibility according to the division of labour. We should encourage leading cadres to shoulder responsibility boldly, but this is totally different from making arbitrary personal decisions. The two should never be confused.

I ask the comrades to study and discuss these six points carefully and to freely express their opinions, including divergent ones. With regard to some matters, after the central authorities have decided on general principles, experiments will have to be carried out in order to gain experience and pool collective wisdom. We will try to solve one specific problem after another when the necessary conditions are ripe. The central authorities will make a formal decision on each of them and then draw up realistic, well-thought-out, practicable and lasting rules and regulations which should be systematically applied. Until such time as these are formulated and promulgated by the central authorities, work in various fields should continue to be carried out under the regulations now in force.

The purpose of reforming the system of Party and state leadership is precisely to maintain and further strengthen Party leadership and discipline, and not to weaken or relax them. In a big country like ours, it is inconceivable that unity of thinking could be achieved among our several hundred million people or that their efforts could be pooled to build socialism in the absence of a Party whose members have a spirit of sacrifice and a high level of political awareness and discipline, a Party that truly represents and unites the masses of people and exercises unified leadership. Without such a Party, our country would split up and accomplish nothing. The people of all our nationalities have come to a deep understanding of this truth through long years of struggle. The unity of the people, social stability, the promotion of democracy and the reunification of our country all depend on Party leadership. The core of the Four Cardinal Principles is to uphold leadership by the Party. The point is that the Party must provide good leadership; only through constant improvement can its leadership be strengthened.

We have before us the extremely arduous and complex task of socialist modernization. While many old problems still remain to be solved, many new ones are emerging. Only by consistently relying on the masses, maintaining close ties with them, listening to what they have to say, understanding their feelings and always representing their interests can the Party become a powerful force capable of smoothly accomplishing its tasks. At present, there are many ideological problems, both among the masses and in the Party, that call for solution. We must give priority to ideological and political work and earnestly endeavour to do it well, never slackening our efforts. This work should be performed by Party committees and leading cadres at all levels, as well as by all other Party members. It should be done painstakingly and thoroughly, with a clear objective in mind and in a way acceptable to the masses. Here the decisive condition for success is that all Party members, especially those in leading positions, be the first to do what they expect the masses to do. Thus, for our ideological and political work to be successful, it is necessary to improve the leadership provided by the Party and to improve its leadership system.

Comrades! The reform and improvement of the various Party and state systems is a long-term and difficult task, and the key to its accomplishment is the reform and improvement of the system of Party and state leadership. We must thoroughly understand this. Comrade Mao Zedong and the other veteran revolutionaries who have already passed away left us without being able to complete this task, so it has fallen on our shoulders. All Party members, especially veteran comrades, should devote their efforts to it. We have done a good deal, solved many problems and accomplished much that reflects credit on us since the Third Plenary Session of the Party's Eleventh Central Committee. So we have a solid position from which to proceed further. The time and conditions are now ripe for us to undertake the task of reforming and improving the system of Party and state leadership so as to meet the needs of our modernization drive. While our generation may not be able to finish this work, at least we have the responsibility of laying a firm foundation and establishing a correct orientation for its accomplishment. This much, I believe, we can do.

(This speech to an enlarged meeting of the Political Bureau of the Central Committee of the Communist Party of China was discussed and endorsed by the Political Bureau on August 31, 1980.)

Appendix C: Gorbachev's initial policy decisions

Session of the Politburo of the CC CPSU
4 April 1985

Chairman: cde. Gorbachev M. S.

In attendance: cdes. G. A. Aliev, V. I. Vorotnikov, V. V. Grishin, A. A. Gromyko, G. V. Romanov, M. S. Solomentsev, P. N. Demichev, V. I. Dolgikh, V. M. Chebrikov, M. V. Zimyanin, I. V. Kapitonov, K. V. Rusakov, N. I. Ryzhkov

I. About the agenda and the schedule of the April (1985) Plenum of the CC CPSU.

GORBACHEV. All the comrades received proposals on this issue. They were prepared in connection with the exchange of opinions, which took place earlier. The memo specifies the dates of the convening and holding of the Plenum, which will have to define clearly the issues introduced for the consideration of the XXVII Congress of the CC CPSU.

I think we should specify somewhat the wording of the CC CPSU report to the Congress, stating that it is not the next party tasks in foreign and domestic policy but simply party tasks are being introduced for the consideration of the Congress, because the Congress will consider the new edition of the CPSU Program, and the tasks to be determined are not only the immediate party tasks, but also long-term tasks.

GROMYKO. Right.

GRISHIN. Is there going to be a separate report on the new edition of the Party Program at the Congress?

GORBACHEV. No. The Secretariat is introducing the proposal that the issues related to the new edition of the Party Program and the changes to the CPSU Charter should be

presented as part of the main report of the Central Committee.
ROMANOV. This is right.
GORBACHEV. Simultaneously, a proposal is introduced to elect the same number of delegates to the XXVII Congress as were elected to the XXVI Congress, i.e. 5,002 delegates. It means that the norm of representation would somewhat raised: one delegate to the congress would be elected from 3,670 party members.
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We also need to determine the timetable for the reporting and election campaign. It is proposed to hold conferences of primary organisations in September-November; regional, city and district party conferences—in November-December; oblast and krai party conferences—in December-January; congresses of Communist parties of the Union republics—in January-beginning of February of 1986. This timetable as a whole fits well with our schedule of economic measures, which will be implemented in the country in the period of preparation for the congress.
GROMYKO. Good timetable.
ALIEV. We could approve these proposals.
GORBACHEV. Any objections?
POLITBURO MEMBERS. No.
The resolution is adopted.
2. About the draft of Addresses of the CC CPSU for May 1, 1985.
GORBACHEV. The CC Secretariat considered the draft of CC CPSU Addresses for May 1 diligently, introduced some corrections, and approved it.
GRISHIN. I have small editorial comments on the text.
GORBACHEV. They should be considered and taken into account. Are there any other corrections to the draft of Addresses?
POLITBURO MEMBERS. No.
GORBACHEV. Then we can approve them.
The resolution is adopted.
3. About holding the demonstration of representatives of working people of the city of Moscow and artistic and political decoration of the city in connection with celebrating May 1, 1985.
GORBACHEV. The Moscow Party Committee introduced proposals on holding the First of May demonstration and decoration of Moscow. I think that these proposals are wellprepared, they take the experience of the previous years into account.
GRISHIN. In Moscow, everything will be ready for the demonstration by the end of April.
3
GORBACHEV. Then we can probably agree with the proposals of the Moscow City Party Committee.
POLITBURO MEMBERS. We can agree.
The resolution is adopted.
4. About measures to fight drunkenness and alcoholism.
GORBACHEV. As you probably remember, over two years ago, the Politburo created the Commission chaired by A. Ya. Pelshe to work on the issues of fighting drunkenness and alcoholism. Later this Commission was headed by M. S. Solomentsev. It introduced its proposals, which were discussed locally, and then considered by the CC Secretariat. Today those proposals are being introduced for the discussion of the Politburo. Let us give the floor to cde. Solomentsev.
SOLOMENTSEV. The session of the Secretariat of the CC CPSU approved the main points of the drafts of resolutions of the CC CPSU, the USSR Council of Ministers, the

Decrees of Presidiums of the Supreme Soviets of the USSR and RSFSR on this issue.
At the same time, the Commission of the CC CPSU was entrusted with finalizing the drafts of these documents. We believe that the suggestions and recommendations expressed at the session of the Secretariat were implemented:
---the ideological and political level of the documents was raised;
---the necessity of a comprehensive approach to the solution of the pressing problem was emphasized;
---the tasks for annual cuts in the volume of production of vodka, hard liquor, and fortified grape and fruit wines were specified.
The alcoholic drinks that we purchase abroad should be calculated together with the volume [of such drinks] produced in our country.
In 1983, our country imported wine and vodka products for 579.4 million rubles, and in 1984—for 672,9 million rubles.
The need to increase the prices for wine and vodka products with the purpose of decreasing the demand for those was discussed.
A proposal was introduced to increase the legal age of persons to whom alcoholic drinks could be sold.
It seems expedient to prohibit selling spirits to persons younger than 21.
It would serve the interest of preserving and strengthening [people's] health in the most critical period of their physical development.
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It is extremely important that the proposed regulations forbids sale of alcohol to persons of draft age and to young servicemen, which consequently, will help improve the discipline in the army.
I think that even if at first we will not be able to achieve implementation of this ban everywhere, still, its moral and psychological influence will definitely be very positive and will serve as a serious restraining factor.
The changes and amendments to the drafts of the Decrees are aimed at strengthening the fight against drinking and alcoholism.
It is intended to establish administrative responsibility for drinking at one's workplace, to increase administrative and criminal responsibility for drinking alcohol in public places, for engagement of underage persons in drinking, violation of the rules of sale of alcohol drinks, small-scale speculation with wine and vodka products, production of moonshine liquor, and for operating transportation vehicles in the state of drunkenness.
A number of additional conditions for using better the possibilities of forced treatment for alcoholism are provided [in the draft].
The prerogatives of comrades' courts and commissions for fighting drunkenness at the executive committees of local Soviets is being expanded.
[The draft] provides for creating commissions for fight against drunkenness on enterprises, in organisations and institutions.
As a whole, the laws will become stricter in respect to drinkers. Fines will be strengthened especially.
The following additional measures are being proposed:
---it is proposed to create commissions for fighting drunkenness on enterprises, organisations and institutions. They will be able to use the measure of public impact in the form of a fine up to 50 rubles for violation of the anti-alcohol laws against the violator.
---Comrades' Courts will be able to impose a fine of up to 50 rubles on the violators (currently—up to 10 rubles);
---administration of enterprises, institutions and organisations is accorded the right to

bring violators, separately from any administrative punishment, simultaneously to disciplinary responsibility, to revoke monetary prizes, end-of-the-year bonuses, subsidized trip vouchers to resorts, and to push them back in the queue for the apartments upon coordination of actions with the trade union committees;

---the police is accorded the right to impose fines for the first-time production of homemade liquor without the purpose of selling, and for purchasing home-made liquor.

Currently this right is accorded only to the administrative commissions of the executive committees of the local Soviets.

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A draft letter from the Central Committee to party, trade union, and Komsomol organisations, labor collectives, and the Soviet people has been prepared.

A direct, sincere conversation with Communists, Komsomol members, and all citizens is in order. It will help to raise the overall awareness of the danger of the existing situation in connection with the spread of drunkenness, and [encourage] mobilisationof the society for the fight against this evil.

It would be expedient to send this letter to Central Committees of the union republics, krai and oblast party committees, Councils of Ministers of the union republics, executive committees of krai and oblast Soviets of people's deputies, the Young Communist League (YCL), the Central Committee of Komsomol, so that it would be discussed at party, trade union, and Komsomol meetings and at meetings of the working people.

I would like to emphasize that the drafts of the proposed documents reflect the opinion and the mood of wide masses, of the party and Soviet organs, and of public organisations.

They were received with support and approval of the Central Committees of the union republics, of 29 krai and oblast party committees, and of 170 labor collectives, i. e. everywhere where they were previously discussed.

Participants of those discussions emphasized the timeliness of adopting the urgent and decisive measures for strengthening the fight against drunkenness and alcoholism, for rooting them out in the maximally short time frame—the next 5 to 10 years.

The CC CPSU, the Central Committee Commission, the editorial boards of newspapers and magazines, and TV and radio stations receive thousands of letters, including collective letters, with tens and hundreds of signatures.

One of the letters, received from Moscow, contained over 1,200 signatures, and another letter, which came from Novosibirsk, contained over 2,700 signatures.

The authors of those letters expressed serious concern in connection with the spread of drunkenness, with that enormous economic, moral, and socio-political damage, which alcohol inflicts on our society, on its physical and social health.

"The drunken epidemics has enveloped our country, and there can be nothing worse than that." "Our youth is decomposing from vodka." "Our enemies want to grab us with their bare hands." "Remove the bottles filled with this terrible poison from the shelves." "Undertake the [necessary] measures, and we will be cheering like children for everybody's happiness." These are the most characteristic excerpts from the letters.

That drunkenness is the subject of special concern to people is also evident from the sociological surveys conducted in various regions of the country, and among various strata of the citizens.

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59 to 74% of respondents selected "the problem of drunkenness" as their response to the question "What problems preoccupy you most?" As it turns out, it is precisely this problem that concerns people more than any other, including accommodations, household problems, food, being second only to the preservation of peace.

The growth of drunkenness leads to enormous material damages. The damages from drunkenness account for 30 billion rubles a year, according to the most conservative estimates. Academic economists believe that these damages exceed 50-60 billion rubles.

GORBACHEV. This is just the economic damage, and what about other damages?

GROMYKO. For example, the moral and psychological ones.

SOLOMENTSEV. Here are some data from the last year, 1984. 9.3 million drunk persons were picked up from the streets. 12 million people were punished administratively for violations of the anti-alcohol laws—it is more than in 1983.

In the last year, the total number of crimes committed on the grounds of drunkenness has increased, among them, there were over 13 thousand rapes, and about 29 thousand robberies, which is considerably higher than in 1983.

The concern of the healthy forces of our society is clear and well-grounded: not only the biological, but also the genetic foundation of our people is being treatened.

It cannot but concern us that two-thirds of the drinkers are socially passive people, who do not participate in public life.

In short, the problem has assumed such an acute socio-political character, that the unconditional need has emerged to undertake radical and urgent measures—organizational, economic, ideological, and administrative.

Of course, implementation of such measures is not an easy task, but we can overcome the difficulties if we exhibit consistency, persistence, and purposefulness, if we endow the fight against alcohol and drunkenness with a genuinely poplar, mass-based character.

In this connection, a proposal is being introduced to support the initiative to create clubs and societies of sobriety, to create an All-Union Voluntary Society for Fight for Sobriety with its own publication (magazine).

Regarding the proposal to create an All-Union Research Center for Medical and Biological Problems. With time, this Center will cover all aspects of the problem—social, economic, legal, and so on.

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It is important to put a start to it, to create it. The Institute of Forensic Psychiatry named after Serbsky has the real capacity to host it. We should establish the center at the Institute.

Regarding principal comments and objections.

There are not many of them.

Deputy Chairman of the USSR Council of Ministers cde. I. I. Bodyul introduced two proposals. First—instead of the proposed Commission for Fighting Drunkenness at the USSR Council of Ministers—to establish a Central Socio-Political Commission.

He also proposed to set the guidelines for cutting the production of alcoholic drinks not by volume, but by percent—with some decrease compared with the actual sales in the previous year.

One proposal was introduced by cde. E. A. Shevardnadze. It boils down to the idea that we should differentiate our approach to the production of home-made spirits in the traditional wine-producing regions, not to ban completely the production (not with the purpose of selling) of chacha and araka (a variety of moonshine).

The Commission does not find sufficient grounds to accept those proposals. And this is why.

1. The center does not have a [single]state organ, which could unite and coordinate efforts of all state and economic organs in the fight against the drunkenness.
2. The decision on cutting the production of vodka and other alcoholic drinks, we believe, should be concrete, and the annual decreases in the

volume of their production should be quite impressive, so that people would realistically feel them, so that they would gain confidence that the fight against drunkenness has been put on a stable material basis, and that the root of it all—the alcohol—would be rooted out.

3.

As far as chacha is concerned. Chacha is home-made vodka, in essence, moonshine. And therefore, with all due respect to some local customs, we probably should not agree to officially allow its production. They might ask us—and why should moonshine production be banned in the Vinnitsa or Kursk oblasts then?

The materials presented for the discussion are the result of great collective work, which lasted for almost two and a half years. Tens, hundreds of officials of the central and local party and soviet organs, specialists and scientists took part in preparing those [materials]. The Commission took into account the opinions of the public, and proposals of the working people.

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We had to look into the archives, the distant history, search through a pile of books, magazines, scientific research, talk with many scholars, historians, sociologists, economists, doctors, and lawyers.

The best minds of the mankind have been warning us: alcohol is harmful, it is a more powerful and dangerous enemy than either: illness, hunger, epidemics, or war.

The people share the same opinion about alcohol. Their wise sayings and proverbs contain condemnation of drunkenness, and express the pain and grief inflicted by it.

Do our people drink from times immemorial, like some persons allege? Nothing like that! Vodka began to be sold in Russia only in the end of the XVI century. Before that it was permitted to brew and consume only weak alcoholic drinks—home-brews, honey drink, and beer.

As the drinking spread, the resistance to it grew as well.

In the middle of the last century, a powerful wave against drinking and for sobriety rolled across Russia (especially in the central Russia and the Baltics).

That time also witnessed open statements by the best representatives of the Russian intelligentsia, writers, doctors, and lawyers in support of that massive popular movement.

L. N. Tolstoy wrote a series of articles against drunkenness. They were united by his sincere, passionate and wise appeal: “It is time to come to our senses!”

On this growing anti-alcohol wave, under the pressure from the progressive public, and the Bolsheviks, the Tsarist government was forced to implement the “dry law.” Sales of vodka were banned everywhere.

In December 1919, the RSFSR Council of People’s Commissars adopted a resolution “About prohibiting production and sales of alcohol, hard liquors and substances containing alcohol throughout the territory of the RSFSR.”

Therefore, the prohibition continued in force. That situation lasted until the fall of 1924.

As you know, Lenin was decisively against using such a drug like vodka, even if it was profitable in commerce. At the XX Party Conference, he said, “Vodka will lead us not forward to communism, but backwards, to capitalism.”

His unbending position found its reflection in the second Party Program (1919), and in the GOELRO Plan.

One of the postulates of the Electrification Plan stated: “Banning of alcohol consumption as unconditionally harmful for the health of the population should be continuously implemented in the future.”

The [state] monopoly on vodka was introduced in 1924-25 as a temporary measure. Two years after the ban on production and consumption of vodka was repealed, Stalin speaking before foreign workers' delegations said, "Currently, our policy is to cut down the production of vodka gradually."

However, it did not happen. The production and consumption of alcoholic drinks continued to grow. The per capita consumption in liters was as follows: 1913—3.88, 1925—0.88, 1928—1.58, 1940—2.14, 1950—1.88, 1955—3.26.

The 1960s, and the beginning of the 1970s witnessed a significant increase in production and consumption of alcoholic drinks: 1960—3.88, 1965—4.97, 1970—6.85, 1972—7.15.

In 1972, serious efforts were made to strengthen the fight against drinking. A resolution was adopted, and a CC CPSU Letter was sent to all primary party organisations.

The essence of both of those important documents was to "implement energetic, most decisive struggle aimed at rooting out drinking."

The Resolution of the USSR Council of Ministers adopted at that time (May 16, 1972), set out to "implement measures to decreasing the production of vodka and other strong alcoholic drinks in 1972-1975."

Unfortunately, at that time, we did not succeed in realizing those plans.

The curve of consumption kept rising even higher after 1972: 1975—8.19, 1980—8.3, 1984—8.3.

And these data cannot be considered to be comprehensive, because they do not reflect the consumption of moonshine, industrial alcohol, and other alcohol-containing substances.

8.3 liters of pure alcohol per capita—this is an average amount for the country. In the RSFSR, this indicator is even higher—10.3 liters, in the Primorsky Krai—12, Kamchatka—14.5, Sakhalin—almost 17 liters.

If one looks at the overall pattern of growth of alcohol consumption in our country historically, one can see that after reaching the level of 1913 in 1960—the highest level of alcoholic drinks consumption in the three hundred year history of Russia, we then in the next 25 years—in a quarter of a century—exceeded this level by the factor of 2.2, and in reality (taking into account the consumption of moonshine, the industrial grades of alcohol, and so on) threefold, if not more.

To represent more visually the scale that drinking has reached in our country, I will present the following data for comparison.

1

As many scientists have argued, in 1913, although drinking was widespread, about half of men in Russia did not drink; 9 out of 10 women and 9 out of 10 boys of draft age did not consume any alcoholic drinks.

Today, however, according to the information of the Institute of Sociological Research, 99% of the adult population consume alcoholic drinks to some extent. Non-drinkers (teetotalers) represent fractions of one percent.

We have approached the threshold, after which, as they say, there is nowhere to retreat. Behind us is our future, the future of our people, the future of our creative plans.

An attack and only an attack against alcohol, against drinking [is in order]! A decisive, planned, concentrated [attack]. There is no alternative.

We have to solve a task of an unseen before complexity. It is difficult to count on success with this heavy burden of vodka. We have to throw it off decisively.

The sobering, and hence the improvement of the physical and moral health of the considerable part of the Soviet people, first of all of our youth, will multiply our forces in the struggle for communism.

In the situation of socialism, we possess everything we need to solve this problem, to show the entire world the power and the appeal of the new society, to vividly confirm the reality of those supreme moral values, which socialism and the soviet way of life have brought us.

GORBACHEV: Are there questions for cde. Solomentsev? No questions? Who would like to speak?

DEMENTSEV (First Deputy of the USSR Finance Minister): M.S. Solomentsev has just presented in detail the measures proposed for fighting drinking. They have a great political and social importance. The problem of drunkenness and alcoholism has intensified in the recent years in our country indeed. Consumption of alcoholic drinks inflicts considerable economic and moral damage. It represents an intolerable phenomenon in the life of our society. Overcoming drunkenness and alcoholism is an important task of a special political significance, an unalienable part of the implementation of the program of perfecting the developed socialism outlined by the party.

At the same time, a number of issues require careful consideration so that the decision would be comprehensively balanced and realistic. This refers, in particular, to the question of the scale and timetable of cutting the production of alcoholic drinks. It is proposed to cut the production of vodka, beginning in 1986, by 30 million dals annually, fortified grape wines—by 20 million dals, fruit wines—by 45 million dals, and to completely cease production of fruit wines in 1986-1987, and to decrease vodka production from 280 million dals in 1985 down to 100 million dals by 1990, or to cut it down by 2.8.

Implementation of the above measures would cut the resources of retail trade by 5 billion rubles in 1986, by 10 billion rubles in 1987, by 13.5 billion rubles in 1988, by 17 billion rubles in 1989, and by 18-20 billion rubles in 1990. At the same time, the USSR State Budget revenue will decrease by 4 billion rubles in 1986, by 7.5 billion rubles in 1987, by 11billion rubles in 1988, by 14 billion rubles in 1989, and by 15-16 billion rubles in 1990.

The USSR Finance Ministry considers raising the issue to fully phase out the production and sales to the population of fruit wines during the period of 1986-1987, and to gradually decrease the production of vodka and fortified wines the right thing to do.

There emerges the issue of ensuring the balance between the growth of the income of the population and the supply of consumer goods, and also between the budget revenue and government spending.

At the same time, the work on the draft of the Main Directives for the XII five-year plan and the period up to the year 2000 shows that [our] search for the sources to cover the retail resources and the missing budget revenues does not provide grounds for a full balance. According to the information of the USSR Gosplan, the retail trade budget for 1990 is still 10-15 billion rubles below balance.

The preliminary data show that accounting for the growth of the population income, the trade balance should be established in 1986 with an increase of over 16 billion rubles. In order to supply this balance, we have to find consumer goods resources additionally for more than 21 billion rubles. Annually, we were able to find resources to cover the balance of consumer goods of no more than 14 billion rubles.

Judging from preliminary calculations, we have not yet balanced the state revenue and spending for 1986. We have to pay special attention to the fact that in the recent years, the main source of our state revenue—value-added tax—has not been growing.

There is no growth, due to the saturation of the market, in such goods as TV sets, washing machines, household and cultural items, radio receivers and others, yet the sales

to the population of such goods as automobiles and goods like these, remains at the level of previous years.
However, the main reason is that the quality of those goods has improved [only] insignificantly.
The Councils of Ministers of the Union republics, the Ministries and [state] organisations should undertake active measures for producing additional quantities of consumer goods with improved quality, appropriate variety, and for increasing [the volume] of paid services for the population.
By improving the quality and increasing the volume of production of consumer goods we can increase the budget revenue and improve the resources of the trade balance. But even if we take into account the implementation of the measures for price increases for the remaining goods, as it is stipulated in the draft resolution, even that might now allow us to compensate fully for the missing budget revenue and the trade balance resources.

GORBACHEV. There is nothing new in what you have just said. Each of us knows that there is nothing to be purchased for the cash held by people. But you are not proposing anything other than forcing people to drink. So just report your ideas briefly, you are not in the Finance Ministry, but at the Politburo session.

DEMENTSEV. A significant decrease in the production of vodka and alcohol products might lead to the growth of moonshine production, as well as stealing of technological alcohol, and would also cause the additional sugar consumption. To deal with this, very serious measures of anti-alcohol fight would be required, as it is proposed in the draft resolution.
The USSR Finance Ministry considers raising the issue of cutting production of vodka, wine, and other alcoholic drinks correct. At the same time, weighing everything that was said, we should do some additional work on the issue of the quantity and volume of such cuts.

L. A. VORONIN. (First Deputy Chairman of the Gosplan USSR [State Planning Committee]). USSR Gosplan enthusiastically supports the proposals that were introduced to fight drinking and alcoholism. The time is ripe to implement such measures, of course, and in general they are needed.
At the same time, to take another look at the instruction contained in paragraph II of the draft resolution. Here it is proposed to cut production of vodka and other hard liquors by 30 million dals, low-grade fortified grape wines by 20 million dals, and fruit wines—by 45 million dals annually. In addition, it is suggested to stop production of fruit wines altogether in 1986-1987.
I would like to report that if such a cut in alcoholic drinks production is implemented, we literally will have nothing to provide for the cash that is held by the population.
Therefore, it would be good if the measures outlined in paragraph II could be once again thought through carefully, and the timetable of implementation was more realistic.

GORBACHEV. The essence of the question of fighting alcoholism is to cut the production of vodka. We cannot tolerate our drunk budget any longer…

[Source: Volkogonov Collection, Library of Congress, Reel 18 Translated by Svetlana Savranskaya, for the The National Security Archive]