December 1988

CIA Intelligence Assessment, 'Gorbachev’s September Housecleaning: An Early Evaluation'

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An intelligence analysis from the CIA covering recent changes to the Soviet Union's state structure and leadership reorganization, legal reforms, economic resource allocation, foreign policy etc. under Gorbachev's more powerful position.

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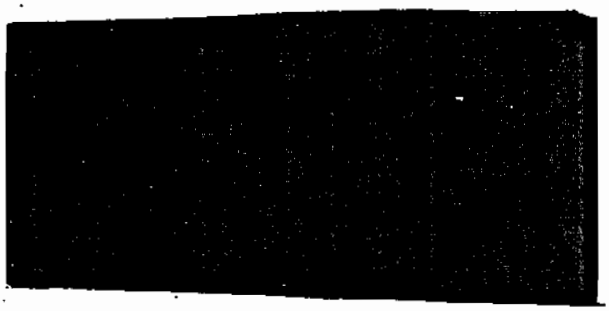

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Gorbachev's September Housecleaning: An Early Evaluation (U)

Key Judgments

Information available as of 1 December 1988 was used in this report.

General Secretary Gorbachev has moved rapidly to capitalize on his strengthened political position. Since his dramatic leadership shakeup in September, Gorbachev and his new leadership team have been active on almost all policy fronts, issuing statements and taking actions that reflect a new, more favorable political balance for him at the top. [redacted]

There are still significant constraints on Gorbachev's power, but he is in a better position than ever to advance his reform agenda. Although we cannot confidently predict specific policy moves, we identify below the areas that are likely to be or are already being affected:

- ***As both President and head of the party, Gorbachev now directly supervises the process of strengthening legislative institutions and transferring some executive powers from conservative and resistant party bodies to the presidency.*** In early December, the Supreme Soviet approved legislation outlining a restructured Supreme Soviet and electoral system, giving the General Secretary much of what he wanted. Gorbachev's concomitant reorganization of the party Secretariat not only diminishes the authority of Yegor Ligachev—widely perceived as leader of the party's conservative wing—but also makes it easier for him to cut back the size of the party apparatus. The reorganization and the creation of commissions that report directly to the Politburo virtually remove the Secretariat from its traditional role as a major power entity. The arrest for bribetaking of former top Uzbek officials who are members of the Central Committee suggests that the leadership changes have enabled Gorbachev to penetrate the protective walls of the party apparatus in prosecuting his war on corruption.

- ***The leadership shakeup has apparently helped Gorbachev's effort to give greater priority to consumer goods and services and may lead to an increased diversion of resources from military to domestic economic needs.*** Gorbachev acted before final decisions had to be made on the 1989 economic plan and before preparations of the 13th Five-Year Plan had gone too far. The leadership has adjusted the 1989 plan to benefit the consumer and social sphere, bolstered efforts to increase food production, and taken new steps to commit resources of defense industries to the production of consumer goods. The personnel changes are likely to facilitate the expansion of controversial economic programs, such as cooperative activity and land leasing. Ligachev's continued responsibility

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for agriculture could pose a problem on the latter issue, but, as indicated by his public actions in October, Gorbachev now appears to be setting the agenda for agricultural reform. This agenda will continue to move in the direction of private leasing.

- *The new leadership team appears to be more tolerant of national assertiveness.* Since the leadership shakeup, the drive for greater political and economic autonomy in the Baltic republics has gathered strength. Moscow has not cracked down on this activity—and has even encouraged some of it—apparently hoping to co-opt nationalist organizations that generally support Gorbachev's reform goals. But even the more radical reformers in the leadership are not prepared to allow independence for national republics, and, if Moscow and republic leaders cannot successfully co-opt nationalist organizations, they will probably have to rein them in, using force if necessary.

- *Gorbachev's political shakeup tilts the balance even further in favor of a more pragmatic, nonideological approach to foreign affairs.* Gorbachev's two closest Politburo allies, Aleksandr Yakovlev and Eduard Shevardnadze, are now formally in charge of managing the party and government foreign policy decision making bodies. The West is likely to face greater Soviet foreign policy activism, including bold—possibly unilateral—moves designed to generate international support for Soviet positions. The leadership's efforts to pursue more pragmatic policies in the Third World are likely to be invigorated by the changes as well.

- *The prospects for advancing "new thinking" on national security issues have increased.* The composition of the Defense Council has probably changed, reducing the representation of traditionalists who might constrain Gorbachev's room for maneuver on arms control and oppose unilateral cuts in military force levels. In addition, Gorbachev is now in a better position to reform the national security decision making process to allow inputs from a wider array of interests and thereby avoid ill-considered uses of military force. As with foreign policy, the United States is likely to face accelerated Soviet activity on national security issues, particularly with respect to bilateral and multilateral arms control. [redacted]

Gorbachev has not achieved a decisive consolidation of power at the top. But he has probably strengthened his position in the leadership sufficiently to buy additional time to see if he can make *perestroyka* work. Moreover, he has begun to build a political base outside of the party that could enhance his ability to exercise power for some time to come. Gorbachev's display of political muscle sent a powerful signal throughout the system that foot-dragging and fence-sitting are no longer options. This should help him in the battle with the bureaucracy to implement policies that the leadership has agreed to.

At the same time, Gorbachev's power play may have raised public expectations of change beyond what the new leadership is willing or able to deliver. Indeed, the regime is facing new pressure from those who feel the proposed political reforms do not go far enough to promote democratization or increase regional autonomy.

Political strength alone is not sufficient to guarantee the success of Gorbachev's policies. The Soviet system is highly resistant to change, and political consensus at the top cannot overcome all the social and economic obstacles to successful reform. Given the realities of the system, Gorbachev can only hope to lay the groundwork for a process of change that could take decades.

Gorbachev will be held increasingly accountable for any future failures of *prestroyka*. Recognizing this, he is trying to use his strengthened position to push through policies designed to improve the economy and the quality of life of Soviet citizens. If he fails to achieve this goal, the political gains of September 1988 could be short lived.

[redacted]

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Gorbachev's September Housecleaning: An Early Evaluation [redacted]

Introduction

On 30 September, the CPSU Central Committee kicked off a personnel and organizational shakeup of a magnitude not seen since Khrushchev's time. At the surprise plenum, the Central Committee retired several Politburo members of the Brezhnev era, promoted several reform supporters, drastically reorganized the party apparatus, and weakened the position of Yegor Ligachev, who had emerged as spokesman for the conservative wing of the party. The following day, at a hastily convened USSR Supreme Soviet session, Gorbachev further enhanced his power, succeeding Andrey Gromyko as Chairman of the Presidium of the Supreme Soviet (President), naming new candidate Politburo member Anatoliy Luk'yanov as deputy chairman, and appointing a new KGB chief. The shakeup continued on 3 October when the Supreme Soviet of the RSFSR met to transfer the republic premier, Politburo member Vitaliy Vorotnikov, to chair the RSFSR Supreme Soviet and moved new candidate Politburo member Aleksandr Vlasov to fill what has been the republic's top post since the mid-1960s. [redacted]

The haste with which the plenum and followup meetings were called sparked a flurry of questions about the security of Gorbachev's Politburo position before the plenum. On 27 September, Foreign Minister Eduard Shevardnadze was summoned back to Moscow from the United Nations to attend "an urgent meeting." Meanwhile, Ligachev was vacationing in Bulgaria, Gromyko was finalizing preparations for an official trip to North Korea, and Mikhail Solomentsev reportedly was filling his appointment calendar for the following week. Soviet officials were quick to rebut foreign press assertions that the plenum's timing signaled a crisis in the leadership, suggesting instead that Gorbachev had set the chain of events in motion because of what he had encountered during a mid-September trip to Krasnoyarsk Kray in Siberia. There, the General Secretary was reportedly appalled by the increasing public discontent with *perestroyka* and decided, upon his return to Moscow, to do something dramatic to put reform on track. In fact, we believe Gorbachev's realization that the Soviet economy was not improving as expected and that *perestroyka* was losing momentum played a major role in the decision to call the special plenum. Rumors persisted, however, that a handful of conservative Politburo members were plotting a "palace coup." It is possible, therefore, that Gorbachev's sudden moves were meant to preempt moves by the Politburo's conservative forces and to solidify his own power. [redacted]

Regardless of the reasoning behind the leadership shakeup, it left Gorbachev in a considerably stronger position to advance his domestic and foreign policy goals. Using old-fashioned Kremlin power politics, Gorbachev weakened and intimidated his opponents, enhancing his ability to set the policy agenda. He also assembled a new leadership team that will facilitate the formulation and implementation of reform-minded policies in a number of areas. [redacted]

There are still clear constraints on Gorbachev's power, but his strengthened position has already had an impact on policy. This paper attempts to take stock of the new leadership team's progress thus far and assess the longer term impact it is likely to have in five key areas: political reform, economic policy, nationalities, foreign affairs, and national security policy. [redacted]

Political Reform

The leadership shakeup laid the groundwork for Gorbachev to transfer significant powers from the party to the state and thereby build a political base for himself outside the Politburo and Central Committee. In particular, Gorbachev hopes to streamline the size and redefine the functions of the party apparatus, while simultaneously shifting some decisionmaking powers to the state presidency and to popularly elected legislatures (*soviets*) at all levels of the system. [redacted]

[redacted]

In addition, as part of his effort to bolster state institutions and increase the rule of law, Gorbachev has undertaken an effort to reform the legal system. Here too, the leadership changes may facilitate the effort, although the outlook is more uncertain.

The State Structure

The 19th Party Conference in June and the Central Committee plenum in July authorized the creation of a more powerful state presidency and a smaller, full-time Supreme Soviet, both of which will be chosen by a popularly elected Congress of People's Deputies. By taking over the presidency from Andrey Gromyko now rather than next April, when the restructuring of the national-level state institutions is to be completed, Gorbachev assumed a better position for ensuring that the new institutions are created and implemented on his terms. He is assisted by his new Vice President, Luk'yanov, a reform-minded legal expert. He has also made the merger of the top party and state leadership posts—one of his most controversial proposals at the party conference—a fait accompli.

Gorbachev has already begun to use his new role as esident to bolster the power and prestige of state ..stitutions. On 17 October, he and Luk'yanov played the leading roles at a meeting of the commission responsible for drafting legislation and constitutional amendments outlining the new structure of the state system. The draft that emerged—published for public debate a week later—went a long way toward fleshing out the kind of presidency, Supreme Soviet, and electoral system that Gorbachev wants. The final legislation approved by the Supreme Soviet on 1 December was revised to take into account criticism and suggestions made during the debate. Nevertheless, Gorbachev appeared to get approval for the most important elements of his state restructuring plan.

The extent—and limits—of Gorbachev's augmented power were particularly evident in the legislation's language on the presidency. At the June party conference, Gorbachev listed several powers that could be given to the state president, including the right to chair the Defense Council, nominate the government premier, oversee the drafting of all legislation, and "decide key issues in the country's foreign policy, defense capacity, and security." The resolutions of the party conference and the July Central Committee plenum approved most of the ideas in Gorbachev's speech, but notably failed to include his list of presidential powers, a sign—corroborated by some reporting—that Gorbachev may have encountered resistance to creating a strong presidency. The discussion of the presidency in the amendments drafted by Gorbachev's commission, however, closely paralleled that in Gorbachev's conference speech. One potentially significant exception was that the draft amendments stipulate only that the president "reports"—as opposed to "decides"—key questions of foreign policy, defense, and national security. During the public debate of the draft legislation, some reform advocates voiced concern that the position could be used to create a dictatorship. At the late November–early December Supreme Soviet session, Gorbachev sought to reassure critics that the principle of "collective leadership" would be preserved. The list of powers contained in the draft language was approved.

The Party Apparatus

Gorbachev's shakeup of the leadership included a significant reorganization of the party Secretariat and a seeming emasculation of its powers. In a move designed to facilitate his efforts to cut back the size and redefine the role of the party apparatus, Gorbachev has shrunk the size of the Secretariat and put six individual secretaries in charge of commissions that will report directly to the Politburo—which Gorbachev heads—apparently bypassing the Secretariat as a body. Thus, there apparently is no longer a "second secretary" position with the kind of bureaucratic clout that the job has had in the past. In fact, some Soviet officials have said that the Secretariat has been bypassed so effectively that it is no longer a major power entity. If this assessment is correct, it may help explain Gorbachev's assumption of the presidency at this time.

This restructuring has moved Gorbachev toward his reported goal of halving the size of the Central Committee apparatus by the end of the year. The six commissions are overseeing the consolidation of 20 different Central Committee departments—probably into nine or 10 new departments—and the reduction of their staffs. The former Departments of Propaganda, Culture, and Science and Education have already been merged into a new Ideology Department. The International Department has apparently absorbed the former Bloc Relations Department and, probably, the former Cadres Abroad Department.

Perhaps the most immediate political gain for Gorbachev in this reorganization comes from the narrowing of Yegor Ligachev's functions. As "second secretary," Ligachev publicly stated that he ran the day-to-day affairs of the Secretariat and chaired its weekly meetings, a position that gave him substantial influence over the entire apparatus. Many party apparatchiki looked to him in that role as their spokesman and protector. By limiting Ligachev's portfolio to agriculture, Gorbachev has effectively stripped him of this traditional "second secretary" responsibility and weakened his ability to protect the interests of the apparatchiki as the apparatus is reorganized. In addition, by shrinking the size of the Secretariat, Gorbachev has decreased the representation of several economic departments that are likely to bear the brunt of the cutbacks, thus reducing their capacity to resist.

At republic and oblast levels, the outlook for large-scale cutbacks of the party apparatus is more uncertain. Gorbachev's display of political assertiveness may prompt leaders of republic and large regional party organizations to move more aggressively to implement their own cutbacks. Shortly after the September plenum, for example, Ukrainian leader Vladimir Shcherbitskiy announced plans to reduce the number of republic Central Committee departments from 18 to nine and cut the number of senior staff by 30 percent. In late October, *Pravda* reported that the large Moscow city party organization would cut staff by 30 percent and reduce the number of departments from 17 to seven.

The leadership shakeup and debasement of Central Committee powers has apparently helped Gorbachev overcome some obstacles to his goal of cleaning up corruption in party organizations at all levels. In late October, Soviet media confirmed that authorities had arrested four current and former party and government leaders in Uzbekistan—including the former republic first secretary and the former republic president—three of whom were members or candidate members of the CPSU Central Committee at the time. Arresting officials with senior status without first removing them from the Central Committee and expelling them from the party sends a powerful message nationwide that party rank no longer guarantees immunity from prosecution. The three officials were removed from the central committee in late November.

Evidence suggests that Mikhail Solomentsev, former head of the Party Control Committee who was removed at the September plenum, had been obstructing investigation of party corruption cases and that the decision to make the arrests in Uzbekistan was made after his removal. Solomentsev's successor, former Latvian party leader Boris Pugo, is a tough ex-KGB official with a reputation for incorruptibility who is likely to pursue the campaign against party corruption with much greater vigor.

Legal Reform

At the 19th Party Conference in June, Gorbachev made it clear that he views the creation of a "law-based state" to be one of the principal goals of political reform. By strengthening his position in the leadership and increasing the relative influence of some reformers, he may have enhanced his ability to achieve that goal. However, there are some significant uncertainties about the impact of the personnel changes on legal reform. In particular, former KGB chief Viktor Chebrikov's transfer to the Secretariat, where he chairs the party commission on legal issues, raises questions about both Chebrikov's status within the hierarchy and the future direction of Soviet legal reform.

To many Soviet reformers, giving Chebrikov responsibility for overseeing the transition of the USSR to a "law-based state" is like putting the fox in charge of the chicken coop. A number of laws outlining individual and press rights have been stalled for months, possibly because of conflict over how much freedom should be allowed. Chebrikov is unlikely to use his influence to resolve these disputes in favor of expanded civil liberties. Moreover, his conservative views are apparently shared by a large segment of the elite that is concerned with maintaining order and preventing political challenges to the party's monopoly of power. Laws passed at the October Supreme Soviet session regulating public demonstrations and increasing the powers of the police when dealing with civil disorders are evidently compromise documents that in part reflect these concerns.

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Whether Chebrikov will play a central role in legal reform is unclear. Gorbachev may intend to use his new role as head of the Supreme Soviet to involve himself and especially Vice President Luk'yanov directly in the legal reform effort. [redacted] Indeed, from the time of the leadership shakeup until mid-November, when he traveled to the Baltic region, Chebrikov was almost invisible while Luk'yanov was actively involved in legal affairs. For example, on 25 October Luk'yanov and fellow candidate Politburo member Georgiy Razumovskiy participated in a joint session of the Legislative Proposals Commissions of the two chambers of the Supreme Soviet. The session criticized shortcomings in the preparation of legislative acts, including the failure to "take sufficient account of public opinion" and to use *glasnost* effectively. [redacted]

Economic Policy

The recent leadership changes should provide Gorbachev with the political strength to overcome remaining top-level resistance to shifting additional resources to improving consumer welfare. This may be particularly true in the area of tapping the defense-industrial sector for help. Perhaps more important, the changes have sent a message to conservative bureaucrats and factory managers that continued fence-sitting on economic reform and modernization issues will no longer be tolerated. [redacted]

Gorbachev probably wanted a new leadership team in place before the Politburo, Council of Ministers, and Supreme Soviet made final decisions on the 1989 plan and budget and before preparatory work on the 13th Five-Year Plan (1991-95) progressed very far. Before the plenum and Supreme Soviet session in September, it appeared that the draft 1989 plan had generated considerable controversy, and there are some signs that personnel changes made at those meetings affected subsequent decisions on the plan:

- On 6 October the newly constituted Politburo approved the 1989 draft plan and budget "in general" but called for further revisions before it was submitted to the Supreme Soviet for ratification.
- At a 19 October Council of Ministers meeting on the results of the 1988 plan, Premier Ryzhkov expressed the leadership's growing frustration over poor economic performance and urged that decisions regarding the next year be made "from the standpoint of the September plenum." At its meeting in late October, the Supreme Soviet made a number of changes in the draft plan. [redacted]

It is difficult to determine how much impact the leadership changes had on decisions about the 1989 plan. We have no direct evidence of leadership conflict over reallocating more resources to meet consumer needs, but it is probable that any proposal for a significant shift in priorities would meet resistance from those leaders who represent the interests of heavy and defense industries. The new leadership lineup and reorganized Secretariat may have reduced some of the political obstacles to increased spending on consumer goods and services. The changes do not dramatically alter the balance between the "metal eaters" and proponents of consumer spending, but they may facilitate additional adjustments in the current five-year plan and influence preparations of the 13th Five-Year Plan:

- The newest Politburo member, Vadim Medvedev, is a reform-minded economist who is more likely to support consumer-oriented spending than either of the two departed Politburo members, Gromyko and Solomentsev.
- New candidate Politburo member Aleksandra Biryukova has long been a proponent of improving the consumer's plight. As deputy premier for social development, she is likely to be more of a consumer advocate than her predecessor, Nikolay Talyzin (a former manager in the defense-industrial sector), who held that job only a few months following his removal earlier this year as Gosplan chairman. Talyzin has increasingly been viewed as an obstacle to radical economic change, and, in his new position as representative to CEMA, he will have less impact on domestic economic reform.

- Vladimir Dolgikh, longtime party secretary for civilian heavy industry, retired from the Secretariat and was removed as candidate member of the Politburo. The only remaining member of the Secretariat with direct involvement in heavy industry is Oleg Baklanov, who supervises defense industries, and he is junior to every other secretary.

Resource Allocation

Even before the October session of the Supreme Soviet, the 1989-90 draft plan had apparently already been revised to raise growth targets for the consumer goods industry substantially above those for producer goods. Since the June party conference, Gorbachev has increasingly emphasized the urgency of addressing consumer needs. Speaking to media officials a week before the September plenum, Gorbachev said that he found people in Siberia to be "rightly angry" over the state of the local economy. Their views confirmed, he said, the correctness of giving priority to "questions concerning the provision of food, housing, and goods."

The consumer's plight figured prominently at the 19 October meeting of the Council of Ministers. Biryukova, who had been promoted to candidate membership in the Politburo and named a deputy premier for social issues in September, called the situation regarding consumer goods and services "extremely strained," citing "long lines, sometimes lasting for hours" for goods in short supply. Premier Ryzhkov singled out food shortages as "our worst situation today" and sharply criticized government agencies for their shortcomings in this area.

The increased priority given to consumer goods and living conditions was clearly evident in the 1989 plan and budget approved at the October Supreme Soviet session. Gosplan chairman Yuriy Maslyukov said that the 1989 plan had been formulated with a view toward achieving "a real breakthrough in solving the problems of more fully satisfying the population's need for consumer goods and services." The 1989 targets for consumer goods and services in the current five-year plan were revised upward in the 1989 plan. For example, the plan calls for substantially higher growth rates for consumer goods than for producer goods; increased capital investment in the nonproduction sphere, such as housing, hospitals, and schools; and higher targets for the retooling of light industry. In addition, Maslyukov announced that, in response to suggestions made during the debate over the draft plan, a number of additional adjustments had been made that benefit the consumer and social sphere.

The emphasis on consumer goods production in 1989 and beyond is underscored by recent steps the leadership has taken to increase defense industry's production of consumer goods. An October Council of Minister's decree, for example, is designed to make it more profitable for defense industry to produce consumer goods. The decree should spur production of televisions, refrigerators, and other consumer durables by giving greater incentives to enterprises that exceed the plan and the previous year's production. Although it is unclear what impact the decree will have, production of consumer goods had been treated largely as a sidelight in many defense-industrial plants in the past, with bonuses and other benefits tied primarily to fulfillment of military orders.

Two weeks after the leadership shakeup, Premier Ryzhkov ordered the defense industries to staff newly acquired civil plants quickly with their best people and to integrate production of food-processing equipment into their mainline activity, weapons production. He warned that anyone who failed to get with the program "is making a big mistake." During a Central Committee conference in early November, Gorbachev stressed that increasing food supplies was the paramount domestic policy requirement and that something "equally important" might have to stand aside.

Perhaps the most striking example of the leadership's willingness to commit defense industry to support consumer goods production came in a 9 November public interview of Lev Ryabev, Minister of Medium Machine Building—the most secretive defense-industrial ministry and the one responsible for nuclear weapons production. In the interview, he stated that, beginning in 1989, the ministry is planning to sharply increase its production of consumer goods and machinery for the dairy industry and that, by the year

2000, the ministry's output of consumer goods was scheduled to increase tenfold. Moreover, he went on to say that, as part of this program, the ministry had inherited 10 plants that produce dairy equipment from the Ministry of Machine Building for Light and Food Industry and Household Appliances—which was disbanded last March—and that the Ministry further plans to convert two enterprises designed for the production of weapons to civil production. The extra funds needed to reequip the enterprises will not be provided by the state, but will come from internal reserves—implying that some investment in weapons production facilities will be curtailed.

Cooperatives

The leadership shakeup should also allow Gorbachev to pursue the expansion of cooperative economic activity more vigorously. While he has had the general backing of the leadership for this policy, ideological concerns and bureaucratic resistance have limited the scale of the program significantly. Ligachev was lukewarm to the idea at best and, as ideology secretary, he warned repeatedly against deviations from the economic principles of socialism. The new ideology secretary, Medvedev, appears significantly more amenable to expansion of cooperative activity. In his first speech in his new position, he called for the extension of cooperative and individual enterprise into large-scale production. At the October Supreme Soviet session, Gosplan chairman and candidate Politburo member Maslyukov underscored the importance of cooperatives in improving the circulation and quality of consumer goods. While the success of the cooperatives still depends in large measure on the cooperation of local authorities, such high-level support is essential if the cooperatives are to have more than a marginal impact on consumer production and services, as Gorbachev wants.

Agriculture

In stressing the urgency of satisfying consumer needs, Gorbachev has placed particular emphasis on the food problem. He has launched a major initiative that would allow individual farmers to lease land from collective farms for up to 50 years—in effect giving peasants a sense of ownership. By naming Ligachev to head the new party Agricultural Commission, Gorbachev has stripped a potential rival of some important political tools but has put him in charge of a vital policy area. Ligachev would seemingly play a key role in preparing the long-awaited Central Committee plenum on agriculture, scheduled for February 1989, but the extent of his actual involvement remains to be seen.

Gorbachev will need to make sure that Ligachev is not in a position to seriously undermine his goals and that he, rather than Ligachev, is setting the agenda for further agricultural reform:

- Ligachev has endorsed the land-leasing program in general terms; however, [redacted] reported that Ligachev favors traditional resource-intensive methods to increase food production and is skeptical of the leasing concept.

- Gorbachev convened a meeting on agriculture at the Central Committee on 12 October—while Ligachev was reportedly on vacation. Gorbachev gave a keynote address calling for policies that will return peasants to the position of "masters of the land." In addition, [redacted] by keeping Viktor Nikonov in the Secretariat, Gorbachev intends to dilute Ligachev's influence over agriculture. Nikonov is deputy chairman of the Agricultural Commission, the only commission to have such a position thus far.

Gorbachev may calculate that associating Ligachev with the food problem will further weaken him politically and lay the groundwork for his removal from the Politburo. Such a strategy has risks for Gorbachev as well, however, since the Soviet public increasingly is holding him accountable for the failure of *perestroyka* to pay perceptible dividends. Gorbachev has a strong interest in putting food in the stores, and he will find it difficult to escape personal blame if that does not happen soon.

Nationalities

It is unclear whether the personnel changes will make a significant difference in Moscow's approach to the nationalities issue. At the very least, the leadership shakeup appears to have tilted the balance in favor of greater tolerance for national assertiveness.

Strains in the leadership over national policy have been evident for some time. Ligachev and Chebrikov have been most vocal in drawing the boundaries of political expression, and they have at least implicitly argued that *glasnost* and democratization have contributed significantly to the growing assertiveness of non-Russian ethnic groups. Aleksandr Yakovlev, on the other hand, has championed the relaxation of traditional strictures and argued forcefully that the authoritarian policies of the past are principally responsible for the nationalist ferment today. Gorbachev apparently agrees with Yakovlev, although he has been more cautious in his public comments.

It is unclear, however, how these differences in attitude have played out in specific decisions regarding ethnic hotspots. Before the September plenum, the leadership appeared to have reached a consensus on the need for a show of force to restore order in the Caucasus. At the same time, Politburo reformers seemed to give the green light to authorities in the Baltic states to allow extraordinarily large—and peaceful—demonstrations on behalf of greater regional autonomy, and to permit indigenous "popular fronts" to organize actively. It is possible that the reformist and conservative wings of the leadership agreed on a differentiated approach to the Caucasus and Baltic problems, but there is undoubtedly continuing disagreement over where to draw the line in each case.

Ideology secretary Medvedev has reportedly been one of the key supporters of giving the Baltic states a longer leash. Chebrikov's removal from the KGB may have moderated the KGB's handling of nationalist movements, and RSFSR Premier Aleksandr Vlasov's presence at Politburo meetings will probably strengthen the position of those who advocate a judicious use of police power.

The leadership cannot afford to let national independence movements get out of hand. In an October interview with *The New York Times*, for example, Politburo member Yakovlev—probably one of the principal architects of Moscow's current policy in the Baltics—made it clear that Moscow will not consider granting Latvia, Lithuania, or Estonia independence and that it views many of the demands of the popular fronts as unrealistic. In a show of leadership unity, Politburo members Medvedev, Chebrikov, and Nikolay Slyun'kov traveled to the Baltic states in mid-November to deliver that message directly to republic leaders. Thus, while the new leadership is likely to support republic leaders who can effectively co-opt nationalist groups, it will not agree to all of the nationalists' demands and would probably not hesitate to crack down if Moscow were in serious danger of losing political control over the region.

Foreign Policy

We do not believe that foreign policy was a major factor in Gorbachev's personnel shakeup. Conflict over political and economic reform initiatives almost certainly precipitated Gorbachev's decision to make sweeping changes in his leadership team. No current foreign policy issue is as pressing or seems to have generated as much controversy as the problems the regime faces on the domestic front. Nevertheless, the changes come at a time of sharpening debate over the historical and ideological roots of contemporary Soviet foreign policy, issues over which the leadership itself has been divided. The leadership changes have increased Gorbachev's control over the foreign policy making process and tilted the balance decisively in favor of those who advocate breaking with the past and taking a more pragmatic, flexible, and nonideological approach to foreign affairs. The pattern of recent positive Soviet moves toward China, Taiwan, South Korea, and the ASEAN countries, for example, will probably be reinforced by the new leadership team, as will Moscow's less disruptive behavior at the United Nations and more evenhanded policy in the Middle East. Moscow's efforts to sway Western public opinion can be expected to continue along the same track. In addition, Medvedev's role in shaping recent Soviet policy toward the Communist Bloc suggests that tolerance for diversity in Eastern Europe will continue.

The leadership shakeup represents a victory for those who have sought a revision of the ideological underpinnings of Soviet foreign policy to allow for greater operational flexibility. In a major speech to a conference at the Ministry of Foreign Affairs this summer, Shevardnadze virtually called for taking ideology out of international relations and said that peaceful coexistence can no longer be considered a specific tactical form of "class struggle." This was a major break with a central ideological tenet of the Brezhnev era in which vigorous international competition and conflict with the West—especially in the Third World—were portrayed as consistent with a policy of detente.

While Gorbachev was on vacation in August, Ligachev implicitly but unmistakably attacked Shevardnadze's position, asserting publicly that "class interests" must predominate in international relations and that "raising the question in another way" only causes confusion among the forces of "social and national liberation," a reference to Moscow's traditional left-wing allies. Chebrikov later echoed Ligachev's views, although in more subdued tones.

Perhaps the most important personnel change affecting foreign policy was the removal of President Gromyko. Foreign Minister Shevardnadze and Central Committee secretary Yakovlev, Gorbachev's closest Politburo allies, are now clearly in control of the management of foreign policy:

- Although he was no longer playing a direct role in foreign affairs, President Gromyko almost certainly maintained his status in the Politburo and Defense Council, where, by virtue of his unrivaled experience in dealing with the West, he probably was an influential spokesman for those in the party skeptical of Gorbachev's "new thinking."

- Yakovlev, as head of the Central Commitee's new International Policy Commission, oversees the work of the restructured International Department. This department, which now incorporates the former Bloc Relations Department, is headed by Valentin Falin, who appears to be a Yakovlev protege. In recent months, Shevardnadze has emerged as the leading advocate of change in the internal debates over both the form and substance of foreign policy.

- Medvedev, who as ideology secretary will probably keep a hand in inter-Communist relations, also is a new thinker—he sided with Shevardnadze and Yakovlev on the issue of deemphasizing the class content of Soviet foreign policy. However, his ties to Gorbachev are less clear.

Anatoliy Dobrynin's appointment as a special assistant to Gorbachev in the Supreme Soviet Presidium will keep him involved in foreign affairs, but it is unclear how much influence he will have without the resources of the International Department to draw on.

[redacted]

Although he seemed well on his way to becoming Gorbachev's top foreign policy adviser when he moved to the Secretariat in 1986, he has since been increasingly overshadowed by Shevardnadze and Yakovlev.

National Security Policy

Like foreign policy, national security policy was not a key factor precipitating the leadership changes, but it is likely to be affected by the reconfigured power balance. As mentioned above, the leadership now appears willing to divert at least some resources from the military in order to achieve domestic economic goals. At a minimum, the prospect of military cutbacks should reinforce the leadership's commitment to continuing—or even expanding—the arms control process. In addition, the new leadership team appears receptive to demands from reformers that, in order to avoid repeating what are now viewed by many Soviets as mistakes—such as committing Soviet troops to Afghanistan and deploying SS-20s in Europe—national security decisions must be made more judiciously, with input from a wider circle of specialists and, to some extent, from the public at large.

The leadership changes should create a more favorable environment for "new thinking" in the Defense Council, where important decisions on arms control and military commitments abroad are made. Although the exact composition of the Defense Council is not clear, it is likely that it included Gromyko as President, Ligachev as "Second Secretary," and Chebrikov as head of the KGB. Direct evidence of conflict over national security issues is sparse, but the public statements of these three men and some reporting suggest that they hold comparatively traditional views on national security issues and may have acted as brakes on some aspects of Gorbachev's drive to implement "new thinking." Gromyko is now out of the Defense Council and the other two may be forced to relinquish theirs seats because of the change in their responsibilities as Central Committee secretaries. It is not clear whether the new KGB chief, Vladimir Kryuchkov, will sit on the Defense Council without being a member of the Politburo.

Besides removing potential obstacles to the reform of national security policy, Gorbachev may have added potential allies to the Defense Council. If Yakovlev was not already a member, he almost certainly is now by virtue of his new position as head of the Central Committee commission on international affairs. Medvedev may also be a member as ideology secretary, although his claim to a seat is less certain as he does not hold the "second secretary" position. Both men may be more likely than the traditionalists to support bold new arms control proposals and unilateral troop reductions abroad.

In addition to changing the composition of the Defense Council, the leadership changes have probably improved the prospects for change in the national security decision making process. In particular, by taking over the presidency, Gorbachev can seemingly move ahead with plans to increase the participation of representative state organs in key national security decisions—including those on defense procurement and the use of Soviet troops abroad. At the Foreign Ministry conference this summer, Shevardnadze called for Supreme Soviet committees to review national security policy decisions. Soviet officials have sought information on the US legislative review process, apparently hoping to apply similar procedures in the USSR. While Gorbachev is unlikely to allow the Supreme Soviet to block him from taking diplomatic or military actions that have the full backing of the Politburo, he could use a legislative review process to his advantage if he is having difficulty rallying support for his initiatives in the party leadership.

Gorbachev clearly hopes that the moderate line associated with his new leadership team will help overcome the damage done to Moscow's image by the aggressive national security policies of the Brezhnev era. The leaders on the new team are cognizant of the public relations value of diplomatic flexibility and military restraint, and they are not likely to feel bound to policies developed under Brezhnev and Gromyko. Thus, we believe that the United States will be faced with even greater activism in Soviet foreign and national security policy than in the past, and that Moscow is likely to generate new initiatives on a broad range of international and arms control issues.

A Continuing Challenge

Gorbachev has significantly strengthened his position in the Politburo and set the stage for widening his political base beyond the party. By moving skillfully to undercut his political opponents at the top, he sent a powerful signal to foot-draggers and fence-sitters throughout the system that they will pay a price for their recalcitrance.

As we have seen, the leadership changes that occurred in September have already begun to affect a number of policy areas, giving a new impetus to domestic reform efforts and increasing the likelihood of new initiatives in foreign and national security policies. Operating from a position of new strength, Gorbachev is likely to be even less predictable than before. This will pose a greater challenge for the West, as he seeks to keep the United States and NATO on the defensive with bold initiatives that are likely to have substantial propaganda value with Western publics. He will probably also seek to keep his would-be opponents at home on the defensive with reform initiatives that challenge traditional values.

Despite his clear gains, Gorbachev's political strength should not be overestimated. He has not achieved a decisive consolidation of power that will make his reform agenda irreversible. Although there are more reformers and fewer conservatives in the leadership, there is still a large bloc of centrists whose political leanings vary from issue to issue. As the London *Economist* put it, Gorbachev has captured a new line of trenches, not won the battlefield. He must continue to build his majority on each policy decision, and the coalition that prevails will not be the same in every case; nor will it always support Gorbachev's position.

In addition, while the conservative wing of the party may be cowed, Gorbachev is facing new pressure from those whose expectations have been raised for more far-reaching reform than Gorbachev is prepared to deliver. Such pressure is already evident in the Baltic republics, where Gorbachev's proposed constitutional amendments received a hostile reception on the grounds that they fail to guarantee regional autonomy. Moscow intellectuals also expressed dismay that the political reforms do not go far enough to "democratize" the system and that they even create the preconditions for a dictatorship.

Ultimately, Gorbachev's legitimacy will depend on his ability to make *perestroyka* work. He has already had remarkable success in gaining leadership backing for sweeping reforms of the political and economic systems. Regardless of politics at the top, however, the social and economic realities of a system that is highly resistant to change have left their mark on every major reform initiative the Gorbachev regime has attempted. The result has been a series of policies containing enough ambiguities and contradictions to raise serious doubts about their workability.

As Gorbachev attempts to translate his increased power into policy, he will inevitably run up against barriers that political strength alone cannot surmount. He has probably bought some time to try new initiatives and fine-tune old ones, but his options will always be constrained by the inherent conservatism of the Soviet population, an authoritarian political culture, and the limitations of a planned economy. It will probably take years—if not decades—to overcome these obstacles through a gradual process of political resocialization and institutional regeneration.

In the meantime, Gorbachev will want to take advantage of his strengthened position to increase the perception not only that *perestroyka* is a viable strategy for building a more effective system in the long term, but also that it can improve the life of Soviet citizens today, at least on the margins. If *perestroyka* continues to promise more than it can deliver, Gorbachev himself will increasingly be held accountable, and his recent political gains will almost surely be eroded.