

Review of Chris Miller, *The Struggle to Save the Soviet Economy: Mikhail Gorbachev and the Collapse of the USSR*. University of North Carolina Press: Chapel Hill, 2016. 244 pp. Mikhail Gorbachev, *The New Russia*. Translated by Arch Tait. Polity Press: Cambridge, England, and Malden, Mass., 2016. xi + 464 pp.

In 1986 Mikhail Gorbachev began his attempt to reform the Soviet communist party and political system. Five years later, the Soviet economy and state collapsed. *The Struggle to Save the Soviet Economy* places these events in an unconventional perspective, the reform of China's economy. Chris Miller, a scholar at Yale, starts from the aphorism attributed to Deng Xiaoping: Gorbachev was an "idiot" because he gave priority to political reform over economic reform (6). This verdict, he shows, was mistaken. Soviet policy reforms were deeply influenced by the experiences of China after Mao. While Chinese leaders watched the USSR and reflected on Soviet experience, Soviet experts watched and evaluated the reforms implemented by Deng and actively considered their transferability. By the time of Gorbachev's assault on the communist party's political monopoly, moreover, the Soviet Union had tried out every economic reform that had been found to work in China.

The list of Soviet reforms that Miller offers runs from the liberalization of controls on state enterprises, allowing them to supply the private market as well as the state plan, to the legalization of individual, cooperative, and ultimately private enterprise, the encouragement of foreign investment in special economic zones, and a household responsibility system in collective agriculture. Miller correctly notes that projects for agricultural reform had a long prehistory in the Soviet Union. Before he came to Moscow, Gorbachev himself promoted them as party secretary in Stavropol' (123). Miller thereby exposes another myth: that Gorbachev did not try to reform the collective farms. Miller's list could have been longer, for Khrushchev's regionalization of industrial planning as far back as 1957 was a Soviet attempt to harness the inter-provincial rivalry that proved so powerful a driver of China's growth from the 1980s.

It is wrong, therefore, to conclude that Gorbachev foolishly prioritized political reform, when economic reforms should have come first. The Soviet Union and China differed not in the priority given to economic reform, but in the fact that the reforms that worked so well in China invariably failed in the Soviet Union. Gorbachev turned to political reform only after everything else had been tried. And that is the sense in which Gorbachev was right: the roadblock in the way of successful economic reform was indeed political.

Why did the struggle to save the Soviet economy fail? Miller's explanation (55-60) is that Gorbachev ran up against three entrenched lobbies: the military-industrial complex, the fuel-energy complex, and the agro-industrial (agribusiness) complex. In Stalin's time, Miller notes, the dictator would have met resistance by destroying everyone in his path. In

the time of perestroika, the lobbies were threatened but not afraid: a fatal combination. They resisted reform. They resisted it openly: the lobbies fought to nullify or subvert every limitation of their monopoly powers. And there was the unspoken threat, one that Gorbachev felt in every waking moment, that if he went too far he would be removed. The infighting steadily eroded the authority of the General Secretary, a position that once commanded reverence and fear in every corner of the country. The conflict also weakened the basic structures of a state that was formerly totalitarian and monolithic.

Because the reformers could not frighten the resisters, they tried to buy them off with budget funds. While growth evaporated, the budget deficit widened, promoting inflation and shortages (60-73). In the abstract, a different outcome was imaginable. A market economy would have been facilitated by less spending on redundant weaponry and on food and fuel subsidies. But the end of the global oil boom ate into the revenues of the oil lobby. The prospect of a more peaceful world threatened the revenues of the military-industrial complex. And attempts to cut food subsidies pushed high-cost farmers into a corner. More than that, an unelected government could not raise food prices without inciting rebellion. In that setting, the relaxation of political controls unleashed a war of attrition among the competing interest groups. This war would eventually dissolve the basic institutions of economic life.

Miller's story is well documented and strongly argued. How does it stand up in the Chinese mirror? One question that Miller does not address is: how was Deng Xiaoping untroubled by the lobbies that frustrated Gorbachev? Two reasons suggest themselves. In China the formation of such lobbies was discouraged by the long tradition that Xu Chenggang ("The Fundamental Institutions of China's Reforms and Development," *Journal of Economic Literature*, 49 [2011]: 1076-1151) has defined as "regionally decentralized authoritarianism": Deng could divide and rule China's 30 provincial power centres, whereas Gorbachev could not defeat three great industrial interest groups. And Deng's personal authority was far greater than Gorbachev's. Deng was Mao's former comrade-in-arms, and later his victim. He was a hardened survivor, with an iron resolve to uphold the integrity of party rule at any price – as he proved in 1989. Gorbachev, in contrast, had never been purged and had never dipped his hand in the blood. His best feature was also his worst handicap: he turned out to have a conscience.

The protagonist of Miller's story, Mikhail Gorbachev, is the author of *The New Russia*. The first part of his book follows him from the end of the old Soviet Russia through the time of Yeltsin, year by year and sometimes day by day. It recounts Gorbachev's initiatives, his responses to each turn of events (often quoting extensively from his writings and speeches at the time), the criticisms and attacks that he encountered, and his various defences. The second part does the same for the time of Putin. In the third part Gorbachev shares his views on a wide range of issues in Russian

history and the world today, and his impressions of the personalities he has encountered. The detail is clear and is usually of interest. It is also superabundant; *The New Russia* has more than double the text of *The Struggle to Save the Soviet Economy*.

What light do Gorbachev's words throw on events and the man? We find, first, the traces of Gorbachev's moral character, as someone who has striven for good. Most importantly, the good that he wishes to have done is inclusive: there should be no separation of society into "those who are with us and those who are against us" (243). If the words are sometimes sharp, there is no hate in the man.

Next, what are Gorbachev's political values? Once a communist, Gorbachev now describes himself as a social democrat (152). From time to time he has led various self-styled social-democratic political groupings in Russia, none of which has found any significant electoral support, so that that they have suffered the continual divisions and regroupings that are the fate of fringe parties. Social-democracy is there in his continual emphasis on a market economy regulated in the common interest, with public funding of health and education, and with redistributive taxes and benefits (153-4; 333).

Values are one thing; what we learn from the experience of acting upon them is another. This brings us to Gorbachev's intellectual character. His attitude to social-democratic values is uncritical, as if policies based on them have never been shown to have unwanted side-effects and the case for them is simply obvious. This is not to say that Gorbachev is uncritical of himself as a person. Asked "How do you feel about people who criticize you?" he replies, "They may have a point. They are welcome to do so" (237). This modesty is not feigned. His book describes his own path from youthful Stalinist to communist reformer to social democrat, a process that he describes as "hard and far from painless" (415); at each stage he had to identify his mistakes and discard his illusions. He endorsed Putin's first term (145-7), for example; during Putin's second term, his support became increasingly critical, and the deal with Medvedev that led to Putin's third term was the last straw (262).

Some things escape criticism. Gorbachev continues to regret the passing of the Soviet Union; when he find fault, it is with the conspiracy that ended the Soviet state in 1991, not the one that created it in 1917. Although a social democrat, Gorbachev still has a soft spot for Lenin, the arch-conspirator of 1917 (415). This might provide a clue to some odd discrepancies.

A major theme of *The New Russia* is democracy, understood as trusting the people to judge the actions of their leaders and hold them to account. More democracy is the remedy that Gorbachev advocates for almost any law-breaking or abuse of power in Russian politics and society, from ballot-rigging to corruption (e.g. 239-240). This remedy seems fully consistent with the "people power" aspect of the early Soviet regime that Gorbachev still admires. But it flies in the face of evidence from the the

Russian Revolution and countless other popular uprisings: people power alone does not bring in the rule of law. If people power failed after 1917, how could it have succeeded after 1991? For the rule of law to take effect, the elite must willingly subject its members to impersonal third-party regulation, not unwillingly to the court of public censure. But Gorbachev opposed the attempt to put the Soviet communist party on trial in 1992, calling it “a pernicious enterprise . . . that served only to deepen the divisions in Russian society” (40). Apparently no one should answer in court for the misdeeds of a criminal party and a criminal state – certainly not its last leader.

Another discrepancy in Gorbachev’s thinking appears when we move from domestic politics to the international arena. In Russia in 2012, Gorbachev maintains, the government and the opposition should have worked together to reduce domestic divisions in society, but still “the government bore more responsibility” (276). But when he turns to conflict between Russia and its former colonies, Georgia in 2008 (221ff) and Ukraine in 2014 (401ff), Gorbachev finds that Russia was not to blame; the much smaller neighbours were irresponsible and have only themselves (and the meddling West) to blame.

These two books dovetail in their similarities and differences. One picks up where the other stops, but both direct us to the same conclusion: when it mattered, Gorbachev was right. In their different ways, both are models of writing (Gorbachev’s translator, Arch Tait, shares the credit for this). Both will appeal beyond teachers and students to interested lay readers. Gorbachev’s book is full of life, and is vivid at times, but it will change few minds. Miller’s has new insights and may be remembered for longer.

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