Introduction

The scope of enterprise decision-making has been a principal focus of efforts to reform the Soviet economy in recent years. A study by Susan Linz on "Managerial Autonomy in Soviet Firms" addresses this issue with reference to the 1960s and 1970s, using data from the Soviet Interview Project. The purpose of these comments is to assess the significance for current economic developments of these Soviet Interview Project findings on enterprise management.

The focus of the Interview Project is the scope of discretionary power exercised by enterprise managers, and the congruence between interview results and conclusions of the Soviet and "Western" literature on the Soviet economy. In the Linz paper, conclusions are reached with respect to the role of enterprise management in the planning process and in plan implementation. The conclusions differ more in degree than in kind from the results of earlier research. The differences in degree derive primarily from improvement in the expertise of ministry personnel over time, as well as from some change in the enterprise incentive structure in light industry. The sharpest divergence between the Linz conclusions and the results of previous research is in her finding that enterprises do not "grossly" understate capacity.

* The author wishes to thank the anonymous referees for their helpful comments.


2. The term "enterprise" is used throughout to mean production association as well as enterprise.

3. But the last point may be a difference in degree rather than in kind, as use of the term "grossly" does not preclude some understating of capacity.

With respect to the planning process, the first conclusion is that enterprises are able to negotiate for additional inputs, but not as successfully as in the past, due to the higher level of technical expertise at the ministry in the 1960s and 1970s compared to earlier periods (Linz, p. 181). Second, with respect to the accuracy of information that the enterprise provides on production capacity, the interview results contradict the conclusions of other studies. That is, the interview study concludes that there is no evidence that managers "... understate capacity
Are the conclusions of the Interview Project valid for the 1980s, or have recent and proposed changes in the Soviet economy affected the scope of enterprise decision-making? The following actual and proposed changes will be analyzed: the discipline campaign, the 1984 economic experiment, the Sumy-VAZ experiment, changes in the administrative structure, and the Gorbachev reform package.4

The Discipline Campaign

The discipline campaign was begun during Andropov's short term in power, and revived by Gorbachev. It consists of measures to increase the effort of workers and managers at all levels by tying rewards more closely to results, increasing the use of firing (of officials and, potentially, workers), and reducing alcohol consumption. It is, thus, part of a broader effort to reduce x-inefficiency, i.e., the use of inputs in a way that does not result in the maximum possible output.5

How does the discipline campaign affect enterprise autonomy? Strengthening discipline has been defined as "improving the degree of adherence to targets, commands, and norms by increasing the magnitude of sanctions or frequency of their application."6 The discipline campaign also

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4. The "Sumy-VAZ experiment" derives its name from the two associations at which it was first introduced in 1985: The Sumsk Machinebuilding Scientific-Production Association and the association "AvtoVAZ" at Tol'iati.

5. X-inefficiency may be defined simply as "the use of more labor, more materials, and more resources than are necessary to produce a given output." Douglas F. Greer, Industrial Organization and Public Policy (New York: Macmillan 1980), p. 467; or, as "the extent to which a given set of inputs do not get to be combined in such a way as to lead to maximum output," p. 472, quoting Leibenstein, who developed this concept. In the Soviet context, it involves lax labor discipline (related in part to alcohol consumption), high labor turnover, and use of obsolete capital.