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PRACTICES OF THE USSR State Planning Commission
IN THE BREZHNEV PERIOD
(based on archival materials
and interviews with V.V. Kossov)

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Gosplan was one of the key elements of the Soviet planned economy. But the activities and real role of the State Planning Committee remain incompletely studied. This work is based on a series of interviews with V.V. Kossov. The period of his work in the State Planning Committee of the USSR (1966–1981) practically coincides with the time of the leadership of the country by L.I. Brezhnev. Occupied by V.V. Kossov’s position (deputy head of the consolidated department, member of the board of the USSR State Planning Committee) and academic background make him a unique source of information about the practices of the USSR State Planning Committee in the late Soviet period. The interview results are supplemented by archival information from the Gosplan funds in the Russian State Academy of Economics, which allows us to clarify the features of drawing up a five-year plan using the example of the IX Five-Year Plan (1971–1975). The study allows us to expand our understanding of informal and unformalized mechanisms for making management decisions in the “economic headquarters of the country.”

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Introduction

Gosplan of the USSR (State Planning Committee of the Council of Ministers of the USSR) was the core of the Soviet system of planning bodies, consisting of republican state plans, planning commissions under economic ministries and local planning bodies under councils at the corresponding levels (regional, district). In this capacity, it was the most important element of a planned (command) economy of the Soviet type and served as a model on which other countries of the world socialist system built economic management.

Despite the critical role that the USSR State Planning Committee played in the political and economic system of the USSR, the practices of its work have still not been fully studied. If the pre-war period of the Soviet economy is described in the fundamental monographs of P. Gregory and R. Allen, published after the “archival revolution”¹ in the 1990s, the post-war years are represented mainly by the works of Sovietologists of the Cold War period², which suffer from obvious limitations in the source base. In addition, they, as a rule, are general publications in which the work of the State Planning Committee is only one of the topics covered.

The idea of overcoming the paucity of official reports on economic decisions made by interviewing Soviet officials, who would give these decisions some context, began to be implemented immediately after the collapse of the USSR. One can note the important contribution of Yu. Olsevich and P. Gregory², Torovich³, who interviewed many now deceased economic managers of the Soviet period as well as M. Ellman and V. Cohn.

These researchers were motivated by an understandable desire to paint, at least in general terms, a portrait of the late Soviet economy as a whole. However, the work of the USSR State Planning Committee has not yet been the focus of special interest among researchers. I, of course, do not pretend to compose a complete description of the activities of this institution of the Soviet economy, but I hope that this essay will serve to ensure that this description appears someday.

The work is based on two detailed interviews (July 25, 2019 and January 9, 2020) with Vladimir Viktorovich Kossov, now a professor at the National Research University Higher School of Economics, who worked in the State Planning Committee of the USSR from 1966 to 1981 (most of the time – deputy head of the consolidated department), member of the board of the USSR State Planning Committee. Below is all the information in the text:

¹ Nove A. *The Soviet Economic System*. 3rd ed. Boston: Unwin Hyman Inc., 1987; Ellman M. *Socialist Planning*. 3rd ed. Cambridge: Cambridge University Press, 2014; Gregory P., Stuart R. *Soviet Economic Structure and Performance*. NY: Harper & Row Publishers, 1974.

² Olsevich Yu., Gregory P. *Planning system in retrospect. Analysis and interviews with planning leaders of the USSR*. M.: Teis, 2000.

³ Ellman M., Kontorovich V. *The Destruction of the Soviet Economic System*. Armonk, NY: Sharpe, 1998.

for which there are no references to sources, is taken from these interviews, which are given as appendices to this work.

The second group of sources consists of minutes of meetings of the board of the State Pedagogical Committee of the USSR for the period of the VIII–IX five-year plans from the funds of the Russian State Academy of Economics and materials for meetings devoted to the preparation of the IX five-year plan. It was at the meetings of the board, whose members were the heads of the main departments, that a common approach to certain issues was developed for the entire State Plan, and the work of the departments was harmonized.

Thanks to this choice of sources, the work was able to highlight some of the practices of the State Planning Committee and the mechanism for making management decisions, taking into account the restrictions in which the USSR State Planning Committee was forced to act.

I saw my task as summarizing information about actually used approaches to drawing up state plans, including the personal attitudes of planners, the theoretical background on which they relied, the nature of interaction with other departments and academic economists, specific methods of making management decisions when choosing options for implementing the plan. This issue has not yet received adequate coverage in the scientific literature. At the same time, of course, it should be remembered that any personal assessments and evidence bear the stamp of subjectivity.

The personality of the Chairman of the State Planning Committee of the USSR during the Brezhnev period

Nikolai Konstantinovich Baibakov served as Chairman of the USSR State Planning Committee in 1955–1957. and again in 1965–1985. – longer than any other chairman. Before him, the fate of the chairmen of the USSR State Planning Committee was unenviable: after G.M. Krzhizhanovsky, who headed the State Planning Committee in 1921–1923 and 1925–1930, the chairmen either died in office (V.V. Kuibyshev) or were repressed (V.I. Mezhlauk, G.I. Smirnov, N.A. Voznesensky) , or could not hold out in this position for even five years (from 1949 to 1965, the heads of the State Planning Committee changed ten times, and the State Planning Committee itself was twice subject to administrative reform).

In 1955, the State Planning Committee was divided into commissions for long-term planning (Gosplan of the USSR) and for current planning (State Economic Commission of the USSR). Current plans were traditionally considered more important, so a more significant post of chairman of the State Economic Commission was given to the deputy chairman of the USSR Council of Ministers M.G. Pervukhin, and N.K. was appointed to the less important post of Chairman of the USSR State Planning Committee in the new system. Baibakova.

According to historian V.L. Nekrasov, Khrushchev chose Baibakov precisely as a figure who did not have political weight, “an experienced business manager without ambitions”⁴. Baibakov himself writes in his memoirs that he tried to refuse appointments, citing the fact that he is not an economist and cannot cope with the planning

⁴ Nekrasov V.L. The position of Chairman of the State Planning Committee of the USSR in the system of higher politics technical leadership (1955–1964) // Humanities in Siberia. 2012. No. 4. P. 68.

development of the country's national economy⁵. It is characteristic that in the same memoirs he calls "the work of my life" not his work as chairman of the State Planning Committee of the USSR, but his work as an oil worker. According to Kossov, Baibakov, even during his work at the State Planning Committee, proudly called himself "Stalin's People's Commissar," that is, until the end of his life he valued his experience as the Minister of the Oil Industry more highly than his experience as the Chairman of the USSR State Planning Committee.

Obviously, in those same years, Baibakov also formed a model of interaction with management. If on. Voznesensky, according to the testimony of his colleagues, was not afraid to argue with Stalin and other top leaders, and many years later Baibakov told Kossov with a shudder how he was checked by Mehliis, the former People's Commissar of State Control. Another episode from the period of work of the People's Commissar, which Baibakov, according to Kossov, loved to remember - Stalin's parting words to work in Tatarstan: "There will be oil, there will be Comrade Baibakov. There will be no oil, there will be no Comrade Baibakov." To summarize, we can conclude that the chairman of the State Planning Committee of the USSR was formed in the Stalinist era as an enterprising and responsible person, but accustomed to reporting rather than reporting, to executing orders from higher authorities rather than participating in their development. Kossov indicates that he tried to object to M.S. Gorbachev on issues of agricultural development, and Baibakov reconciled him and ultimately turned out to be right: it was not possible to convince Gorbachev.

Both Baibakov and Pervukhin lost their posts when they did not support Khrushchev's economic council reform in 1957, which apparently additionally taught Baibakov not to contradict the political leadership too much. After the resignation of M.G. First Khin, the heads of planning bodies were no longer included in the Presidium (Politburo) of the CPSU Central Committee (in the late 1940s - early 1950s, the chairman of the State Plan was necessarily a member of the Politburo and was the deputy chairman of the Council of Ministers). Khrushchev purposefully sought to limit the influence of the State Planning Committee, and on the whole achieved his goal.

Kossov describes in detail the case when Baibakov tried at a meeting with the Chairman of the Council of Ministers of the USSR A.N. Kosygin to raise the issue of eliminating subsidies for meat, due to which an increase in meat production led to an increase in the hole in the budget, and was not supported by any of those present. The story ended similarly when Baibakov tried to raise the issue of hidden inflation. The huge scandal at Kosygin's meeting ended in nothing.

Another example involved an initiative to manufacture a furnace for melting titanium swarf to reduce the need for titanium. With obvious benefits of this initiative, the development of the furnace could not be included in the work plan of the scientific research institute, which was engaged in the design of this kind of equipment, that is, Baibakov often could not get his way not only from the top management, but also from the economic ministries.

⁵ Baibakov N.K. From Stalin to Yeltsin // Baibakov N.K. Collection cit.: in 10 volumes. T. 5. M.: International Foundation "Innovation Fund named after N.K. Baibakova", 2011. P. 106.

According to Kossov, the nature of the interaction between the USSR State Planning Committee and the "directive bodies" mainly consisted in the fact that the Politburo at its meetings set tasks for Baibakov, and he relayed them to his subordinates and asked them to calculate possible ways to solve them.

This position also played a role during perestroika, when Baibakov, like many other "old men," at Gorbachev's request, voluntarily resigned from the Central Committee, thereby freeing the latter's hands. "We all signed up," he justified himself to Kossov. After the collapse of the country, Baibakov apologized: "I understand that you (Gosplan employees - A.S.) could have complaints against me. You were talking all the time things that are important and necessary for me, but I couldn't do anything."

In general, Kossov noted that the State Planning Committee fulfilled the role that was assigned to it, which is why it was possible to increase the effectiveness of the State Planning Committee's work without changing the system as a whole. impossible.

Corporate culture of the USSR State Planning Committee

The predominantly technical role of the USSR State Planning Committee in the Brezhnev period ("the Politburo decides - we cheat") could not help but leave an imprint on his corporate culture. According to Kossov, the reorganization of the State Planning Committee was not even discussed with its employees. For example, he himself did not even think about why the department in which he worked for the first years was liquidated.

When the Automated System of Planned Calculations (ASPR) was created at the Main Computer Center of the USSR State Planning Committee, Kossov, who interacted with the developers on behalf of the State Planning Committee, was happy to solve particular automation problems, but did not consider ASPR as a concept something significant. That is, ideas about fundamentally improving the quality of planning through complex automation did not inspire even many of those who directly implemented them.

According to Kossov, the main advantage of ASPR was the implementation of the system electronic document management "Document", which made it possible to debug the process transfer of calculations from department to department and increased responsibility for failure to meet deadlines for preparing indicators assigned to a department or a specific employee.

Direct optimization calculations, which according to the original plan should have been the main difference in drawing up a plan using ASPR, pursued the task of finding the best option for implementing the decisions already made at the Political Bureau and therefore, apparently, were assessed by Kossov as a less important innovation.

A certain disdain for "big" ideas can also be seen in the State Planning Committee's "slang". The text part of the "Main Directions of Social and Economic Development of the USSR" for the next five-year plan was ironically called "prays with you," and the people who wrote them were "scribes." The "scribes" themselves talk about their work they said: "I write speeches from "Comrades!" to "Long live!"." It was necessary to present shortcomings as hidden reserves, and choose goals for the future (the same "prayers") as "cheap" as possible: so that they sound good, but can be fulfilled

it was easy. In the comic parting words - "don't forget to change the numbers of the congresses" - there is not only irony, but also an admission of powerlessness, due to which problems and tasks are not making up their minds and not following through, they wandered from

document to document. As a result, communism and the political mission of the USSR State Planning Committee were talked about only at party meetings, but "everyone understood that a ritual is a ritual." Kossov's evidence confirms almost verbatim the concept of performative shift by A.V. Yurchak (it was not the meaning of the words that became important, but the very fact of following the ritual, part of which was their pronunciation)⁶. As a result, the professional pride of planners was rather the pride of specialists, for whom it was important to do their job well in order to confirm and maintain their professionalism. The same party meetings were used as a way to better coordinate the work of the State Planning Committee and the Main Computing Center, to influence executors who missed deadlines, that is, in essence, they were a form of planning meetings.

The consequence of this was professional narrowness: planners did their jobs conscientiously, but did not think too much about the big picture. Kossov gives several striking examples of when he decided to understand what biotechnology was, and when he decided to study the synthesis of acetylene in order to speak on an equal footing with people from the chemical department. In both cases, his initiatives were received with surprise as something superfluous to the fulfillment of his own duties.

nal responsibilities.

Kossov notes that the main "workhorses" of the State Planning Committee were employees in the positions of chief specialists in the relevant departments. Each of them was an expert in his field, knew all the factories in the Union that produce the type of product for the planning of which this chief specialist was responsible, the managers and technical capabilities of these factories, the equipment installed on them

nie, etc.

At the same time, the main specialists had little knowledge of international experience, and in disputes with the consolidated department they acted as lobbyists for their industries. This was expressed both in the reluctance to use new technologies (the proven technology is predictable, you can definitely make a plan on it, but the new one still needs to be tested, which threatens to disrupt the production program), and in the overestimation of requests for capital investments.

Kossov believes that there was no corruption or self-interest in this, but a desire to insure himself, since "the cost of an error is very asymmetrical": when determining the volume of capital investments, a downward error can lead to the fact that the water will not be completed. At the same time, without a "counterbalance" in the form of a clear awareness of public interests, such a practice led to systematic problems with the introduction of technological innovations and the systematic overexpenditure of investments against the truly necessary volume.

According to Kossov, the main flaw of the USSR State Planning Committee was its overload with current tasks, due to which perspective was lost. During his work he

⁶ *Yurchak A.V.* It was forever until it was over. The last Soviet generation. M.: New Literary Review, 2014. P. 71.

specifically looked for vulnerabilities of the Soviet system, studying for this purpose foreign publications received by the State Planning Committee in order to point out these weaknesses to the leadership. But from his story it clearly follows that such a strategic, integrated approach to work was the exception to the rule. It can be added that the loss of strategic vision was facilitated by both the technical role that the party leadership sought to impose on the USSR State Planning Committee and the de-ideologization of its employees, which was facilitated by

the increasingly obvious slippage of socio-economic development, coupled with the impossible ability to influence the situation from below.

Plan preparation process

The study of materials for the board meetings made it possible to establish that work on the next five-year plan began 2–3 years in advance and went through two rounds of approval: consolidation and balancing of proposals from sectoral departments, which resulted in the draft of the Main Directions for the Development of the National Economy being sent to the state plans of the republics and sectoral ministries USSR, and the consolidation and balancing of the proposals of the republics and ministries received in response to it. The plan, drawn up on the basis of proposals from the localities received in response to the “Main Directions...”, was informally called “counter” by analogy with counter plans

first five-year plans.

Work on the IX Five-Year Plan began on December 29, 1967, when the resolution of the CPSU Central Committee and the USSR Council of Ministers was issued with the starting provisions for the future national economic plan. On its basis, on January 8, 1968, Order No. 1 of the USSR State Plan was issued to departments of the State Planning Committee to prepare proposals on the main directions for the development of sectors of the national economy for 1971–1975.⁷

At the end of February, the departments sent their proposals to the consolidated department, which by mid-April brought them together, preparing the “Draft of initial data for the main directions of development of the national economy of the USSR for 1971–1975.” The results of the work of the consolidated department were reviewed at a meeting of the USSR State Planning Board on April 16, 1968, after which the departments were given the task of preparing their comments and proposals⁸.

The consolidated department, in order to balance the plan, was forced to cut back on many requests, so the general meaning of the notes from industry departments that arrived in the spring and summer was that with the capital investments cut by the consolidated department, it was impossible to ensure the required growth in output. The payment for output growth was capital investments, and industry departments were apparently keen to offer moderate rates growth and request large investments to ensure them.

The issue was discussed again at the Board on May 7, but general economic indicators were agreed upon only at a two-day meeting of the Board on October 17–18.

⁷ RGAE. F. 4372. Op. 66. D. 2221. L. 21.

⁸ RGAE. F. 4372. Op. 66. D. 2221. L. 24.

On their basis, by the end of November, the consolidated department finally prepared the "Project of the main directions of development of the national economy of the USSR for 1971–1975." It was discussed at three meetings of the Board in 1969 (meetings No. 1 and No. 2 - the project itself, meeting No. 12 - capital investments for the IX Five-Year Plan). As a result, the adjusted draft of the main directions was sent to ministries and departments only in April 1970.

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The delays were due not only to difficult reconciliation of interests, but also to changes in political guidance. For example, in July 1970, a plenum of the CPSU Central Committee was held, at which a long-term comprehensive program for the development of agriculture was adopted, and the draft main directions had to be adjusted again to take this program into account.

Next, ministries and departments had to prepare their proposals for achieving the goals specified in the "Draft of Main Directions..." that he issued. The concretization of plans and more detailed elaboration of the activities necessary for their implementation took place locally. Response proposals from ministries, departments and union republics were submitted to the USSR State Planning Committee in September–October 1970, after which they also had to be brought together. Draft plans of ministries and union republics were used by the USSR State Planning Committee in the preparation of the Directives of the XXIV Congress of the CPSU and the draft of a detailed five-year plan for the development of the national economy of the USSR for 1971–1975.

Bringing them together, the USSR State Planning Committee on January 16, 1971 formed the "Draft Directives of the XXIV Congress of the CPSU on the five-year plan for the development of the national economy of the USSR for 1971–1975," and by mid-March its industry departments had prepared 235 material balances of the main types of products for 1971–1975, broken down by year of the five-year plan¹¹. It turned out that a number of important indicators could not be balanced, so the USSR State Planning Committee, through the Council of Ministers, demanded that ministries and departments take on increased obligations and submit updated draft sectoral plans by May 10¹².

In April 1971, the XXIV Congress of the CPSU took place, which approved the Directives prepared by the USSR State Planning Committee for the IX Five-Year Plan. At the same time, the congress delegates made a number of proposals for the plan. Kossov explained that since all major economic leaders were necessarily members of the CPSU, they first made proposals on behalf of their departments, and if the State Planning Committee rejected them, then they tried again time to promote these same initiatives as delegates to the congress.

According to Kossov, the commission for reviewing proposals worked right during the congress. It included representatives of the Administration of the USSR Council of Ministers and the Department of Planning and Financial Bodies of the CPSU Central Committee, the State Committee for

⁹ RGAE. F. 4372. Op. 66. Dd. 4458-4459.

¹⁰ RGAE. F. 4372. Op. 66. D. 4456.

¹¹ RGAE. F. 4372. Op. 66. D. 4384. L. 105.

¹² RGAE. F. 4372. Op. 66. D. 4384. L. 37-38.

Science and Technology (GKNT), Gosnab and Gosplan of the USSR. The commission was supposed to respond to delegates within 24 hours. In addition, in September 1971, the State Planning Committee reported in writing to the CPSU Central Committee on the results of consideration of the proposals of the delegates of the 24th Congress of the CPSU for the five-year plan¹³. Apparently, the Central Committee requested a table for recording comments and proposals in preparation for analyzing the draft five-year plan.

Directives and main directions, after approval, were published in the press, their nationwide discussion was organized, the USSR State Planning Committee received "bags" letters" with comments and suggestions, which were considered and sent to the relevant departments. Work with citizens' letters went on for several months.

Taking into account updated sectoral plans and proposals from State Planning Committee delegates
The USSR compiled a draft five-year plan and sent it to the CPSU Central Committee in July 1971.

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The Politburo of the CPSU Central Committee reviewed the draft plan at a meeting on October 14. After this, the project was finalized again, taking into account the comments of the Politburo. Finally, the

draft of a detailed five-year plan was approved by the Plenum of the CPSU Central Committee on November 22–23, 1971. A week earlier, Resolution of the USSR Council of Ministers of November 16, 1971 No. 850 "On the State Five-Year Plan for the Development of the National Economy of the USSR for 1971–1975" was issued, and three days later, the Supreme Soviet of the USSR adopted the USSR Law of November 26, 1971 "On the State Five-Year Plan for the Development of the National Economy of the USSR for 1971–1975." Thus, the IX Five-Year Plan plan was officially approved only at the end of the first year of the fifth year.

vests.

It is necessary to note an important feature of the procedure: the resolution of the Council of Ministers on the five-year plan has a volume of 23 pages, and the Law on the five-year plan is only 5 pages¹⁵. They present only the most important summary summary indicators. At the same time, the detailed five-year plan with tasks for all industries was several volumes with a total height of one and a half meters. Thus, the entire five-year plan was not officially approved by anyone or published. In the preface to the 453-page book "The State Five-Year Plan for the Development of the National Economy of the USSR for 1971–1975," published in 1972, it was specified that this is "a five-year plan in the most condensed form," while in its expanded form it is a multivolume labor¹⁶.

This feature made it possible to change the five-year plan without making changes either to the resolution of the Council of Ministers or to the USSR law on it. Only if the changes were so global that they affected the general indicators, was it necessary to make changes to the resolution of the Council of Ministers. A similar pattern was observed with annual plans.

situation.

¹³ RGAE. F. 4372. Op. 66. D. 4453. L. 244

¹⁴ RGAE. F. 4372. Op. 66. D. 4453. L. 244

¹⁵ Decisions of the party and government on economic issues. Collection of documents. T. 8 / under. ed. K.U. Chernenko, M.S. Smirnyukova. M.: Politizdat, 1972. P. 614.

¹⁶ State five-year plan for the development of the national economy of the USSR for 1971–1975 / ed. N.K. Baibakova. M.: Politizdat, 1972. P. 14.

A comparison of the stages of developing a five-year plan during the first and second iteration is given in Table 1. The result of the first iteration was the "Main Directions...", which served as a guideline for the work of ministries, departments and union republics. The result of the second iteration was an already developed state five-year plan "one and a half meters high." Its core was a plan for the production and distribution of products (who should be supplied and how much), as well as a capital investment plan. These "one and a half meters" were required to be cut into task lines for each plant, and then these tasks were sent to the recipients. A similar procedure was required to be carried out every year when communicating annual plans to the performers. The process of cutting the tables into lines, packing them in envelopes, sending them and checking that the recipients had received the assignments, according to Kossov, lasted for more than three weeks. That is, every year, almost the entire month of January, the performers worked without knowing their annual assignments.

The introduction of ASPR made it possible to turn "one and a half meters" of a detailed plan into a system of about 1500–2000 tables stored in computer memory, that is, move to. Translation tab
drawing up a plan, as they said then, "in machine execution"
persons to digital made it possible to speed up the process of mailing to recipients from 3 weeks to 3 days, which
Kossov considers the second most important achievement of ASPR, along with the establishment of document flow.

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Table 1. Stages of developing a five-year plan for the development of the national economy (using the example of the IX Five-Year Plan)

First iteration	Second iteration (preparing a "counter" plan)
Resolution of the Central Committee of the CPSU and the Council of Ministers of the USSR, which defines the starting provisions of the future national economic plan (sets the introductory principles for further work)	Project of the Main Directions for the Development of the National Economy of the USSR (sets introductory notes for further work)
Proposals on the main directions for the development of sectors of the national economy (prepared by departments of the USSR State Planning Committee)	Draft five-year plans by industry (prepared by ministries, departments, union republics)
Project of initial data for the main directions of development of the national economy of the USSR" (prepared by the consolidated department of the USSR State Planning Committee)	Draft Directives of the next congress of the CPSU on the five-year plan for the development of the national economy of the USSR; Preliminary draft of a five-year plan for the development of the national economy (prepared by the USSR State Planning Committee)
Comments and suggestions on the draft initial data (prepared by industry departments of the USSR State Planning Committee)	Updated draft five-year plans by industry (prepared by ministries, departments, union republics)
General economic indicators for the five-year period (approved by the Board)	Draft five-year plan for the development of the national economy (sent by the USSR State Plan to the CPSU Central Committee)

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From an interview with author V.B. Bezrukov, head of the Main Computing Center of the State Planning Committee of the USSR in 1984–1990 December 26, 2017

First iteration	Second iteration (preparing a "counter" plan)
Draft of the Main Directions for the Development of the National Economy of the USSR (<i>prepared by the consolidated department of the USSR State Planning Committee</i>)	Draft five-year plan for the development of the national economy, taking into account the comments of the Politburo and delegates of the CPSU Congress (<i>prepared by the USSR State Planning Committee</i>)
	The main indicators of the five-year plan are approved in the Resolution of the Council of Ministers and the USSR Law on the Five-Year Plan

Political economy of socialism.

Theoretical foundations of the work of the State Planning Committee

Having described the general procedure for drawing up plans, we should move on to consider specific ways of making management decisions. However, first you need We can consider the theoretical basis that stood behind them.

Back in Soviet times, Kossov stated in the Department of Science and Educational Institutions of the CPSU Central Committee that the political economy of socialism does not exist, since each science has its own axiomatics, and he did not observe it in the political economy of socialism. Such a harsh judgment about science, which by its status was supposed to be the theoretical basis of Soviet planning, will become clearer if we recall some laws of political economy, for example, the basic economic law of socialism: "Ensure the goal of maximizing satisfaction of the ever-growing material and cultural needs of the entire society through continuous growth and improvement of socialist production on the basis of higher technology"¹⁸. In essence, this is not a law, but an economic policy directive. It may or may not be executed.

The situation is similar with the law of preferential growth in the production of means of production in comparison with the production of consumer goods. Initially, the accelerated growth of the means of production was planned only for the first five-year plan; the second five-year plan already provided for an accelerated growth in the production of consumer goods. However, both then and later, each time there were some more important tasks, which is why during the entire Soviet period there were only a few years when the production of consumer goods

(consumer goods) grew faster than heavy industry. It is true that in general, in order to increase the output of final products, it is necessary to first increase the output of means of production.

production, but it does not at all follow from this that this growth should continue

constantly and continuously. If this maxim is followed literally, the share of industry producing means of production will tend to 100%.

¹⁸ The formulation of the law given by I.V. Stalin in "Economic problems of socialism in the USSR" in 1952, but by 1988 it had not changed much: "Ensuring complete well-being and free all-round development of all members of society through their joint labor using social means of production." Quote from: Political Economy: a textbook for non-economic universities / under. ed. V.V. Radaeva. M.: Politizdat, 1988. P. 272.

The political economy of socialism was unable to develop a mechanism that would pose willed to combine directive development planning for the long term with operational economic independence. The result was too much emphasis in the work of the State Planning Committee on the current regulation of the economy, which, according to Kossov, should have been carried out automatically under the influence of a system of economic incentives, if only it could be created. A vivid description of official political economy was left by T.I. Zaslavskaya: "Once Aganbegyan

invited me to a meeting for which he gathered New Siberian political economists. And he asked everyone one question: "Tell me, please, what, in your opinion, is the most pressing problem of economic theory?"

The political economists present dealt with a variety of issues. One said that the law of value is not fulfilled at all, another - that the law of distribution according to labor is not fulfilled, the third -

that the law of planned development is not fulfilled, etc.

- Familiar things. What did you say?

"I simply had nothing to talk about anymore, because the answer was completely obvious." If none of the laws of our political economy of socialism are fulfilled, then the most pressing problem is to create a science that would reflect the real laws of economic life."

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Thus, official Soviet economic theory had little to offer planners as a basis for their work. However, from Kossov's interview it follows that the workers of the USSR State Planning Committee themselves deduced a number of patterns, which, apparently, can be called elements of the real political economy of socialism. In my generalization they can be represented as follows:

1. An increase in output without an increase in wages is impossible. The expansion of production volumes must necessarily be accompanied by an increase in cash payments to employees. This means an expansion of effective demand that must be satisfied.
2. With increasing prosperity, shifts occur in the structure of consumer spending, the nature of which does not depend on the social system. Based on the consumption structure of richer countries, one can reliably predict the structure of demand for citizens of the USSR.
3. To increase productivity and output, it is necessary not only to increase the technical level of production, but also to develop the social infrastructure for its workers. Neglecting planning for an increase in the quality of life leads to a decrease in the return on investment in production.

¹⁹ Zaslavskaya T.I. Interview // Economic sociology. 2002. T. 3. No. 5. P. 11.

4. The system tends to overestimate the required volume of capital investments and reject technical innovations. Both trends are based on the desire to more easily execute a plan. Both trends require special efforts to counter them.
5. The key is planning the movement of physical assets: raw materials, equipment, building materials, labor. The allocation of financial resources for any task must necessarily be accompanied by the allocation of a corresponding amount of physical assets.
6. Well-working temporary labor collectives (construction trusts) are an independent asset, the preservation of which is one of the factors in resolving the issue of new construction projects.

Of course, the above does not list all the regularities of the actual political economy of socialism, but only those that were mentioned by my respondent. A number of others patterns are contained in the works of academician Yu.V. Yaremenko²⁰, who, in my opinion, came closer to a theoretical generalization of the functioning of the late Soviet economy than others.

Insufficient consideration of these patterns caused a number of negative consequences. consequences:

1. The rapid growth in the production of means of production led to increased shortages of consumer goods, since it was accompanied by an increase in income, which was not covered by a corresponding increase in the output of consumer goods.
2. The growth of welfare while maintaining subsidies for certain goods and services led to an increase in the budget deficit. The higher the welfare, the more difficult it was to maintain low prices.
3. Investments in rural production infrastructure without corresponding investments in social infrastructure yielded less and less returns due to a decrease in the labor motivation of rural residents.

Thus, the work of the USSR State Planning Committee was based on a number of established empirically patterns, which, however, were not always possible to apply to improve the quality of planning due to the reluctance of political leadership leadership to take them into account.

Management decision making practices

Kossov repeatedly noted that all fundamental economic decisions ideas were adopted by the Politburo, and the USSR State Planning Committee was looking for ways to implement them. Nevertheless, a certain freedom of maneuver remained in the choice of implementation paths.

²⁰ Yaremenko Yu.V. Economic conversations. M.: Center for Research and Statistics of Science, 1998.

At the end of the 1960s, the task of algorithmizing the planning process first arose. The State Planning Committee began to develop the Automated System of Planned Calculations (ASPR), which was created at the State Planning Center. Network diagrams were drawn up for the preparation of all elements of the plan, which showed that the main one is a plan for industrial production in kind. Based on the industrial production plan, the values of the indicators of the capital investment plan were then calculated, then the plan for labor and personnel, production and distribution costs²¹, there is an industrial production plan that was the "leading link" that determined the remaining sections of the national economic plan as a whole.

The main tool in planning production by industry was product balances, from which it followed whether the country was provided with a given product or not. Gosplan maintained about 1,000 balance sheets, and Gosstat maintained another 10 thousand.²² Deficit sectors had to develop at an accelerated pace in order to ensure, as far as possible, balanced development of the economy. According to Kosov, it is a common cliché that in the USSR production was planned based on what was achieved level using the "plus two percent" method, rests on a misunderstanding of the real world mechanism.

For variant calculations for the future, dynamic 18-sector intersectoral model of the Soviet economy, developed and implemented²³ in the Gosplan Main Computer Center under the leadership of B.M. Smekhova and Ya.M. Urinson. She's with formed the basis of the so-called central set of tasks, which was the core of ASPR.

Direct cost coefficients for intersectoral models were justified in the Comprehensive Program of Scientific and Technological Progress, which was developed every 5 years since 1972 (the first was ready in 1973, the last in 1988). Dozens of scientific institutes worked on it, and the department of CEMI, which was involved in compiling its materials, became an independent Institute of National Economic Forecasting. Thus, forecast calculations of production efficiency and labor productivity had a scientific basis.

The choice of options was limited not only by the forecast values of labor productivity growth, but also by established efficiency standards. For example, a minimum freight traffic was approved that would justify the construction of a railway. The bank of standards (there were 6 groups of standards) was one of the ASPR subsystems²⁴.

²¹ RGAE. F. 4372. Op. 66. D. 5156. L. 190 rev.

²² Kosov V.V. On planning the social and economic development of Russia - platform for consolidation of society. Conclusions from the experience of the USSR State Planning Committee // Economic science of modern Russia. 2013. No. 3 (62). P. 116.

²³ For more details see: Smekhov B.M., Urinson Ya.M. Methods for optimizing the national economic plan. M.: Economics, 1976; Urinson Ya.M. Improving the technology of people's economic planning. M.: Economics, 1986.

²⁴ Kosov V.V. About planning... P. 108.

The desired industry structure had to be "landed" on the ground. Issues of production location at the Gosplan level were dealt with only for a limited list of the most transport-intensive products. For this purpose, linear programming tools and transport problems with a minimum of reduced costs were used. The characteristics of each option were prepared by industry design institutes, and industry departments of the State Planning Committee were involved in their comparison. The work was supervised by Vasily Osipovich Chernyavsky²⁵.

Kossov noted that since local leaders sought to develop their territories, all republican design institutes deliberately overestimated the characteristics of the planned enterprises in order to increase their chances that they would begin to build a new plant.

The growth of industrial production was ensured by the growth of investments (capital investments), which became, as it were, a payment for it. Therefore, the heads of the sectoral departments had special deputies: one was responsible for production, the other for capital investments. Capital investments were distributed between the construction of workshops and the creation (purchase) of fixed assets (machines and equipment). As a general rule, reconstruction was cheaper than new construction, but it was not always technically possible to install new equipment in old workshops. Kossov gave the following example: the pitch of columns in the shops of textile factories built during the pre-war five-year plans was 4 meters, and the new high-performance weaving equipment had a size of 6 meters.

If the limitation for reconstruction was the size of the workshops, then the limitation for new construction was the presence of free construction organizations. Kossov pointed out that the large construction trusts had everything going for them; their workload and capabilities were known in advance and taken into account when choosing. This knowledge was not explicit; rather, it formed the basis of the professional competencies of Gosplan specialists, which had been developed over the years. The decision on a specific object was made at a meeting of representatives of the construction department, the consolidated department and the branch department within whose competence the industry under discussion was.

It should be noted that knowledge about the workload and capabilities of trusts was not the only informal, but necessary knowledge in the work. The available methodological instructions²⁶ could not, of course, cover the algorithm for calculating and justifying each indicator. Each chief specialist knew "his" factories and had an idea of which planned targets they would "meet" and which they would not. Head of the Main Computer Center of State Planning V.B. Bezrukov gave an example when the chief specialist of the State Planning Committee challenged the solution to a transport problem, saying: "Guys, you're doing everything right, you've got everything right."

²⁵ For more details see: Chernyavsky V.O. Efficient economy. M.: Economics, 1967; Chernyavsky V.O. Production efficiency and optimal planning. M.: Economics, 1973.

²⁶ Methodological instructions for the development of state plans for the development of the national economy of the USSR / ed. L.A. Konikova, Ts.S. Ginzburg, I.A. Stolyarov. M.: Economics, 1974.

beamed. But this road for you will not function, and this road for you will not function. - But why? "You know, there are such bridges there that cement cargo cannot pass."

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This knowledge was passed on "by word of mouth"; young people were specially assigned to "experienced" State Planners, but if a person retired without having time to pass on the experience, part of the knowledge was lost.

Kossov notes that one of the reasons for the state planners' rejection of the "Kosygin" reform of 1965 was the partial devaluation of their competencies: in the old conditions it was clear how to work with the plant so that it would do what was needed, but in the new conditions there was uncertainty, so how factories gained more independence.

The impossibility of complete formalization explains why ASPR was not automatic, but an automated and, moreover, human-machine system: ASPR worked with the values that planners entered there. She could organize and streamline the process of preparing planning forms, identify inconsistencies in them,

but could not replace a living person.

When choosing new equipment, the USSR State Planning Committee relied on the best world and domestic models. The technical characteristics of domestic equipment planned for production in the future period were given by the State Committee for Science and Technology (SCNT), the characteristics of foreign machines were learned from foreign press.

The limitation on the purchase of domestic equipment was the plans for its production by enterprises. Kossov gave an example of a furnace for titanium, which the plant designing such equipment failed to include in the plan. In addition, despite the supposedly planned pricing, many types of equipment were unique, that is, prices for them were not approved, and machine-building plants actively took advantage of this. When the load was high, they raised prices for equipment.

tion, which also had to be taken into account.

The restrictions on foreign technology were foreign exchange reserves, the willingness of foreigners to sell technology, the ability of intelligence services to gain access to foreign technology, and the ability of the domestic industry to too lazy to copy them.

Since the issue of foreign currency purchases was not decided by the USSR State Planning Committee independently, planners tried to force other bodies to "pull through" the required decision. All shortages of raw materials were "hung" at the most important factories of each industry - the likelihood that the missing raw materials for a major plant would be purchased abroad was much higher than the likelihood that imports would cover the needs of a less important manufacturer. In this case, political logic prevailed over economic.

If capital investments were a "payment" for the growth of output on the part of production, then the need to cover the expanding effective demand would

²⁷ Interview with V.B. Bezrukova to the author, December 26, 2017

la "payment" on the consumption side. The growth in output corresponded to a certain increase in wages, which ensured an increase in well-being and shifts in consumer preferences. The summary department calculated expected shifts in the structure of consumer demand, using foreign countries with higher levels of prosperity as a model. Deviations of the model structure of demand from the expected development of the corresponding sectors of food production and consumer goods suggested which sectors should be developed first.

Another source of information for planning trade turnover was official data from the Soviet trade system, specifically the structure of retail turnover of state and cooperative trade. According to the reporting dynamic data extrapolations and forecast time series were built using statistical methods. That is, knowing which goods were purchased well in the reporting period, it was possible to predict which goods would be purchased well in the next²⁸.

Finally, the most direct way to find out which industries in the production of consumer goods had a higher priority was the development of: letters from citizens. Kossov noted that during the period of discussion of the "Main Directions..." the State Planning Committee received literally bags of letters with proposals, and the signal for planners was not so much the content of the proposals as the frequency of mentioning certain problems. The problems that citizens wrote about most often were tried to solve it first.

Another way of feedback was the "black market". Knowing which goods were the most speculated upon, the first thing they tried to do was increase their production. According to Kossov, every industry worker knew exactly what products were missing, that is, the problem of feedback, around which the criticism of socialism by L. Mises and F. Hayek was built, was not so acute in reality. The real problem was the implementation of the necessary measures.

The desired consumption pattern, obtained using statistical methods and tips from citizens, faced budgetary constraints. According to Kossov, Baibakov told him the maximum amount of capital investment, which in the existing system of priorities could be allocated to the development of the production of consumer goods, and the total volume of effective consumer demand that had to be covered. By dividing one by the other, the coefficient of the minimum acceptable efficiency of capital investments was obtained, in the example given by Kossovo - three rubles of increase in the commodity mass per ruble of capital investments. This is an ogre

the reduction meant that in conditions of rigid prices that did not respond quickly enough to changes in demand, the correspondence between supply and demand was inevitably incomplete: planners knew what goods buyers would want in the future.

²⁸ It should be noted that currently large retailers such as Walmart or Amazon have brought demand forecasting based on sales data to perfection, which makes it possible to argue about the transition of Western economies in this area to planning (see, for example: Phillips L., Rozworski M. The People's republic of Walmart: how the world's biggest corporations are laying the foundation for socialism. L.; NY: Verso, 2019).

period, but could plan the development of these types of products only if it met the efficiency standard. Unable to influence prices, enterprises, with the tacit consent of the State Planning Committee, went for a hidden price increase by reducing the volume of product in the package, producing "new products" that were no different from the old products at increased prices, etc. Ultimately, balancing effective demand with commodity mass remained an art

compromises.

It should be noted that everything described concerned only the planning of civil sectors. Planning for military production was carried out in isolation and considered the rest of the economy as a resource field. From the department that dealt with the military-industrial complex, there were requests for resources that had to be satisfied on a priority basis. These applications were not disputed by the civil departments of the USSR State Planning Committee. Many people thought about the influence of the military's "appetites" on the civilian sector, but the problem of non-economic burden was explicitly studied only by individual economists in academic institutions²⁹.

Kossov noted that the goal of the work of the USSR State Planning Committee was to bring the real structure of production as close as possible, taking into account all restrictions, to the model of balanced development of economic sectors, taking into account the structure of population demand. The art of planners consisted precisely in finding these "limits" possible."

Conclusion

The State Planning Committee of the USSR, despite the huge amount of resources at its disposal, during the period under review occupied rather a subordinate role in the political system of the Soviet Union, providing information for decision making.

The Politburo made the most important decisions in the field of economic policy, but without being able to directly participate in making these decisions. The State Planning Committee had the role of executor, which had to find ways to implement them. This left an imprint on the corporate culture of the State Planning Committee, which combined professional pride and professional narrow-mindedness.

At the same time, the development of methods for implementing already made decisions provided a certain freedom of maneuver, and the procedure for preparing the plan was characterized by broad democracy: several rounds of approvals and national discussion ensured that the interests of both economic ministries and union republics, as well as ordinary citizens, were taken into account. At the same time, citizens demonstrated high activity, providing the State Planning Committee with work to take into account their proposals for several months
tsev.

²⁹ Yu.V. Yaremenko, analyzing the consequences of inequality in the access of different industries to quality resources, created an original theory of a multi-level economy. Cm.: *Yaremenko Yu.V. Decree. Op.*

This procedure for developing a plan refutes the assertions in the literature that the State Planning Committee sought to independently develop a "plan to the nut," assigning the country the role of executor. At the same time, the multi-stage approval system made major structural changes difficult and was vulnerable to departmental egoism. By the 1970s, the political agent who could carry out modernization measures without regard to the existing balance of power had disappeared in the Soviet system and interests. The Politburo set priorities, but was not ready to participate in the implementation of specific measures developed in accordance with these priorities. Baibakov's memoirs are replete with complaints about poor planning discipline and failure to implement necessary decisions.

The popular thesis about mechanical planning "from what has been achieved" is also not confirmed. By the period under review, the State Planning Committee had a developed system of balances and actively introduced economic and mathematical models that made it possible to calculate the growth rates of individual industries and ensure their coordinated development. Intersectoral models were based on coefficients, the justification of which was carried out by dozens of scientific institutes as part of the work on the "Comprehensive Program of Scientific and Technological Progress." When planning consumer demand, both retail chain statistics and global trends in changes in consumer preferences were used. Reconstruction plans were based on the study of the best domestic and world models of technology. The theoretical basis of this work was a set of empirically derived

patterns that can be considered elements of the real political economy of socialism, describing the behavior of economic agents. Further addition to the list of these patterns is of significant scientific interest.

Decisions on specific objects were made collectively, taking into account a large list of factors that influenced the feasibility of one or another way to achieve the goal. The characteristics of buildings and equipment, the workload of construction organizations, currency reserves, and the availability of free capacity at project sites were taken into account.

institutes and engineering plants and even the load capacity of bridges at the entrance to the facility. Because of this, despite the extensive system of regulations, planning remained an art, the quality of the result directly depended on the professionalism of the planners. The automated system of planned calculations greatly simplified the organization of work on the plan, but could not replace real people. The scientific nature of Soviet planning, therefore, in my opinion, lies not in the presence of a coherent algorithm for calculating each planned indicator (such an algorithm, of course, did not appear, just as the "target function of the Soviet economy" did not appear), but in a conscientious account of the possibilities and limitations under influence

which the plan was created.

Applications

1. First interview with V.V. Kossov July 25, 2019
https://yadi.sk/i/Upf_W6NDwuDJSQ
2. Second interview with V.V. Kossovo January 9, 2020
https://disk.yandex.ru/i/MiSqlCegYv_NpQ

²⁰¹⁹ It was published in an abbreviated form in the magazine "Emergency Reserve" (No. 5 (133) for 2020). Cm.: https://www.nlobooks.ru/magazines/neprikosnovenny_zapas/133_nz_5_2020/article/23005/

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**Work practices of the USSR State Planning Committee during the
Brezhnev period (based on archival materials and interviews with V.V. Kossov)**

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