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ON EASTERN EUROPE: THE ECONOMICS OF POLITICS

by

HERBERT J. ELLISON

The period from the Soviet invasion of Czechoslovakia in 1968 to the Polish revolution and counterrevolution of 1980-81 contains some of the most dramatic and important political developments in the history of postwar Eastern Europe. The entry of Soviet troops into Prague shattered the hopes that the Czech "Spring" had nurtured for a comprehensive transformation of political and economic institutions in that country, one which would create a new order that the Czechs longingly described as "socialism with a human face." Curious as it seems, the Czechs and Slovaks genuinely believed that they would succeed where the Hungarians had failed, that the Soviets would accept their peaceful transformation of Czechoslovak institutions precisely because it would be peaceful and because the reformed state would remain loyal to the Warsaw Pact. Similar illusions reappeared in Poland in 1980-81. It was thought that by not challenging the primacy of the party, but rather reforming (i.e. "democratizing") the party internally, one could achieve a peaceful transformation of Polish socialism and avoid Czechoslovakia's failure.[1]

The shattering of such illusions, whether by direct external military intervention or by internal declaration of martial law, is one of the most important consequences of the tumultuous events of the past 15 years. In one sense these events represent a victory for communism on the Soviet model and for Soviet power in Eastern Europe. It is an uncertain victory, and it remains to be seen whether political stability can be reestablished in Poland. But at least for the moment, it appears that fundamental change will not be accomplished by political revolution, peaceful or violent, and that the familiar systems are again intact.

Yet it is precisely these systems that generated the political crises, and will do so again and again until fundamental changes are made. The central questions, therefore, as much for internal leaders as for external observers, are: what are the fundamental changes needed to avert future crises and what evidence is there of them being made?

The most essential of those needed changes are in economic organization and policy. This may seem too obvious a proposition, yet much of the political analysis of East European events, both in Eastern Europe and outside, gives scant attention to the precise interaction of economics and politics, and Western economic analysis justifiably limits its concern with politics to the direct effect of political developments upon economic change.[2] It is the argument of the present essay that the experience of postwar Eastern Europe, particularly the recent years, demonstrates a repetitive pattern of weakness in basic economic institutions which is ultimately the most important ingredient in the recurrent political crisis. It is further argued that with the notable exception of Hungary none of these states has made significant progress toward a solution to the problem, that the reasons are to be found in political institutions and policies, and that the problem has reached a new and more dangerous form, particularly for the more industrially advanced countries, because rapid changes in the world economy, into which they have been progressively and disruptively integrated, have gravely aggravated existing internal weaknesses.

The past 10 to 12 years have been a period of severe trial for the economies of Eastern Europe—not the first such period since the introduction of the Soviet model of socialist command economy, and probably not the last—but among the most complex and difficult to manage. Economic crisis has, of course, been a recurrent theme in East European life for the past three decades, and often with momentous political consequences. Behind each of the recurrent political explosions—in East Germany, Czechoslovakia, Hungary, and Poland—lay an economic crisis, one that played either a primary or a supplementary role in a major political eruption.

The nature of the problems underlying the crises has tended to change over time. In the 1950s the problems were generally those occasioned by the severity and pace of the collectivization of agriculture and forced draft industrialization emphasizing development of heavy industry. Shortages of food, housing, and consumer goods combined with the peasant's disdain for collective farms and the worker's resentment at long hours and hard working conditions to produce the eruptions of the early and mid-1950s in East Germany, Czechoslovakia, Poland, and Hungary. The failure of the new economic order to meet basic needs of the population had been translated into dangerous political instability and even (in the case of Hungary) into revolution.

In the wake of these events all of the East European governments, and their Soviet patrons, were acutely aware of the need to change policies (modify or eliminate collectivization, place greater stress on consumer goods and housing, improve working conditions, etc.). Such measures did not respond to all of the dissatisfactions that emerged in the period of revolutionary turbulence. The prevailing official response was to undertake economic reform without political reform, to focus on the material needs of the general population in order to remove the immediate causes of mass dissatisfaction and deprive opposition leaderships of their following.

Behind the political crises of the early and mid-1960s lay a structure of economic problems that was more complex and serious than a simple reallocation of priorities to provide more consumer goods and housing. The Stalin command economy model had achieved high rates of average annual growth of produced national income during the early 1950s mainly by large increases of labor and capital inputs. But the impressive East European ten percent annual growth rate in produced national income during 1951-55 dropped by 31 percent (to 6.9 percent) during the second half of the decade, and by an additional 42 percent (to four percent) during the first half of the 1960s.[3] The very low average annual growth rate in Czechoslovakia during the first half of the 1960s (1.9 percent), the lowest in Eastern Europe, was a major factor in the growing pressure for economic reform in that country. Though economic planners elsewhere understood the

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need for reform, only Czechoslovakia and Hungary actually embarked upon reforms aimed at moving from an extensive economic growth model to one stressing intensive growth through qualitative improvements in labor, organization, and technology.

Structural reform of the command economy system proved as difficult in most of Eastern Europe in the 1960s as in the Soviet Union. Such measures as decentralization of planning, price reform, emphasis on incentives for managers and workers, measurement of performance by sales and profit rather than meeting of gross output targets, and technological innovation and improved product sophistication required radical modification of the economic system. The Hungarian approach was gradualist and continues to the present time. The Czechoslovak reform moved forward rapidly during 1967-68, became entangled in the sweeping political reform process of those years, and was then canceled following the Soviet invasion of 1968. The invasion and the events which followed combined with the abandonment of economic reform inside the Soviet Union itself to foreclose, for the time being, the adoption of comprehensive economic reform.

As in the Soviet Union, the kinds of East European economic reform proposed in the early 1960s came to be seen as carrying with them unacceptable political implications. The economic decentralization recommended by reformers meant more than simply a rational scheme of economic management; it meant the loss to central party and government authorities of decisive powers in production planning and resource allocation and challenged a wide range of vested interests in the main economic ministries. The resistance to reform was therefore very strong, and the main objective of the leadership was to find means of extracting greater production from the existing economic system.

The search for a means to restore economic growth without structural changes in the economy led to formation of the main program of the 1970s—massive importation of Western technology financed by borrowing from Western banks and governments. The intention was to raise the level of efficiency of the East European economies by improving capital stock and productivity and then to repay the accumulated indebtedness from export earnings. The availability of funds for borrowing vastly exceeded expectations, thanks to large loanable reserves in Western banks created by the OPEC quadrupling of oil prices in 1974. The result was a massive growth of the East European debt to the West, rising from $6 billion in 1970 to $55.8 billion in 1980.[4] But in several important ways the scheme of the East European economic planners failed to work out, and the eventual consequences were extremely grave.

The new technology imported from the West did not provide the expected rapid rise in productive efficiency, as the factors supporting productivity rises from technological innovation in Western market economies were absent. And meanwhile the imported technology imposed new costs in hard currency for Western raw materials and semi-manufactures, costs which it became increasingly hard to meet as the decade and the indebtedness advanced. Complicating these problems, the Western economic recession from 1975 on reduced markets for East European exports, exports which were already often insufficiently competitive because of production costs or quality.

In this context, when all factors seemed to move against the East European economic position, a further complication was added by the Soviet decision to raise prices of crude oil and other key raw materials exported to Eastern Europe, beginning in 1975. The long-term price contracts were replaced with annual price agreements, and oil prices were more than doubled. As East European terms of trade with the West and with Third World countries had already deteriorated, the cumulative effect of these negative changes was immensely damaging. East European political leaders were, however, slow to change their economic policies in response to the negative trends, choosing to rely on Soviet trade subsidies and Western credits to meet current needs rather than risking the political costs of lowering growth rates. But the USSR, drawn by rising world market prices, sought to ship increasing quantities of fuels and nonfood raw materials to hard currency markets, reducing the supplies available to Eastern Europe and forcing East European leaders to make hard currency purchases at high prices on world markets.

Over the course of the period from 1972 to 1981 the Soviets and the Western countries provided enormous sums of money to the East European economies—approximately $162.5 billion. The Western share of this sum was $51.7 billion accumulated as debt by the latter year, while the Soviets provided nearly $102 billion in implicit subsidies (goods provided at below world market values) and an additional $6.9 billion in ruble credits.[5]

The willingness of the USSR to provide enormously expanded economic subsidies to the East European economies during this period is an important point for analysis. The expansion was a direct function of rising Soviet prices charged to East European purchasers, prices which lagged far behind world oil prices, so that implicit subsidies rose with each jump in world oil prices. Thus the subsidies rose nearly fourfold between 1973 and 1974, and then nearly trebled between 1978 and 1980.[6] Accounting for 2.8 percent of the East European GNP, the subsidies were provided mainly as crucial shipments of energy and key raw materials. Romania received an insignificant one percent of the total, while East Germany was the largest recipient (33 percent), followed by Czechoslovakia (19 percent), Poland (18 percent), Bulgaria (17 percent), and Hungary (12 percent).[7] Leaving aside the exceptional case of Romania, it is significant that on a per capita basis Poland—the economy in deepest trouble during the 1970s—was the smallest per capita recipient of subsidies. This low priority status for Poland changed only after the political crisis of 1980-81.

Clearly the subsidies represented (and represent) an enormous cost to the Soviet economy. But the pressures upon the East European economies in that period were heavy, and their potential political impact great. Soviet leaders were well aware of past political consequences of serious economic failure in Eastern Europe, and therefore willing to pay a heavy price to avoid it. Strategically, the East European glacis was the foundation of Soviet strategic power in Europe—a broad territorial buffer, a location of Soviet forward military bases, and an important source of military manpower. Politically, the East European ruling party leaderships remained dutifully accepting of Soviet international policy, and their heavy economic dependence upon the USSR—for imports of energy and nonfood raw materials and for receipt of East European exports—helped greatly to ensure their acceptance of Soviet leadership among communist parties, governing and nongoverning.

The long-term effect of Soviet trade subsidy policy has been to sustain East European economic dependence upon the Soviet Union. The foundation of that dependence is, in the first instance, Soviet insistence upon retention of a fundamentally inefficient economic system built upon the Soviet model. But the problem has been further complicated by Soviet trade subsidies which provided oil and gas, even at the beginning of the 1980s, at prices lower than world levels, thus encouraging continued inefficient use of energy and the dependence which went with it.

Predictable future economic trends offer scant encouragement for East European economic policymakers. During 1981 and 1982 the price rises for fuel imports from the USSR continued greatly to surpass price increases for East European exports to the USSR as pricing policy brought Soviet fuel export prices into closer conformity with world prices. And as East European import needs expanded, Soviet capacity to meet them declined. A much-reduced national income growth rate (below three percent per annum) in the 1980s combined with less favorable trade terms with noncommunist countries and a mounting defense burden to reduce the Soviet capacity to aid Eastern Europe.

Still, Soviet political interest in Eastern Europe encourages use of income from fuel exports to that region to fund ruble credits, and even to cancel accumulated East European indebtedness. No such motivation impels Western creditors, whose funds are now scarcer and whose confidence in the East European economies is badly shaken. Western credits cannot play the role of savior that they played in the 1970s, though Western economic recovery and stabilization of world commodity prices were both encouraging developments for Eastern Europe.

The litany of bad news for Eastern Europe includes also the negative effect of Polish developments. The initial appearance of the Polish credit crisis shook the confidence of Western investors, while the persistence of fears of Polish default added much to the general concern to limit further East European credits badly needed to finance Western imports. This meant heavier Polish dependence upon Soviet credits and increased Polish competition with other East European states for Soviet credits. Meanwhile, reduction of deliveries of Polish coal, coke, sulphur, and copper caused serious production losses in East Germany, Czechoslovakia, and Hungary.

What are the future prospects for Eastern Europe and the Soviet-East European relationship? To find an answer to this question one must go again to the heart of the matter—the close tie between politics and economics in the East European system. Economic failures have engendered repeated crises which have in turn brought political crises. In the crises of 1956, 1968, and 1980-81 the opposition, within and outside the communist party, insisted on both political *and* economic reform. In each case the Soviets used direct and/or indirect intervention to control the process, seeking mainly to prevent change in the structure of the communist party (replacement of democratic centralism by authentic democracy) and to retain party control of power over the main institutions and activities of economic, social, and cultural life.

From the mid-1950s to the present the Soviets have demonstrated willingness to tolerate extensive changes in economic organization—from decollectivization of management and restoration of profit and markets in Hungary. They have not tolerated changes in the fundamental political system. It was the threat to party dictatorship under Imre Nagy and Alexander Dubcek, in Hungary and Czechoslovakia, and the acceptance of democratic elections and free industrial and agricultural unions in Poland that brought Soviet military intervention in the first two cases and internal declaration of martial law in the third. The leadership of Solidarity and the reformist wing of the Polish United Workers' Party (PUWP) were no less naive than Dubcek and Nagy in their estimate of the degree of change the Soviets would tolerate. And it was not just the Soviets. In each situation there remained at least a significant core of their own party leadership supporting the Soviet view and prepared to collaborate with the Kremlin (though not for some months in the Czech case), not to mention the cooperation of fellow Warsaw Pact leaders who feared as much as the Soviets the challenge of the political changes their neighbors were undertaking.

In effect, then, the Soviet position—and that of the dominant communist leaderships throughout Eastern Europe—has been that economic reform was acceptable and political reform was not. The Polish experience in 1980-81 was only the latest in a long series of demonstrations of that crucial point. The question often posed in the past was whether it was possible to have economic reform without political reform. Since with the partial exception of Hungary the repudiation of political reform has been followed by the abandonment of economic reform, the answer appears to be no. The economic system is not a separable component of a larger economic and political/administrative structure. It is an integral part of it—in structure and in policy. The bureaucratic structure that controls and regulates the economy is a party-dominated structure. The bureaucratic vested interests and ideologically founded policies have their nerve center in the party apparatus, and since significant reform must challenge such interests and policies it is virtually certain to be resisted or repudiated. Thus the basic Soviet command economy model, with central planning and party control of economic power levers, continues to prevail in Eastern Europe, not just because the Soviets favor it but also because it has a powerful structure of internal administrative vested interests to defend it.

The main question about the future is whether the economic failures of the past can be avoided and the East European economies can be reorganized on an intensive model. The economic crisis of Poland at the end of the 1970s had its counterpart—albeit in less severe form—throughout Eastern Europe. Declining growth rates in industry and agriculture, large hard-currency debts and problems of exports to hard-currency countries, and soaring costs of imported energy and raw materials were problems throughout Eastern Europe. The distinctive element in the Polish situation was not just the massive size of the hard currency indebtedness (on a per capita basis it was lower than Hungary's) but also the much less generous Soviet trade subsidies, less effective management of imports and exports, and a particularly weak agricultural sector—all of which served to aggravate the problem and create severe shortages of food and other consumer goods.

The widespread sense of economic mismanagement and disorganization was thus a more powerful factor in Poland than elsewhere, and it combined with a legacy of popular dissatisfaction with the regime, and a growing closeness between intellectuals and workers, to make possible the transformation of a local strike into a national revolution. Thus the Polish economic situation has much in common with the rest of Eastern Europe, but the economic and the general political and social conditions were different from other countries. It is these structurally similar economic situations which pose a basic challenge to East European leaders and to the Soviet Union. All of the East European economies must make the crucial transition from an extensive to an intensive mode of economic development, using labor, capital, and other resources more efficiently, or their economic crisis will persist, and with it the severe political strains of the past.

For understanding the development of Eastern Europe in the 1970s, and projecting development prospects for the 1980s, there is perhaps no more important question to examine than that of the contrasting experiences of Poland and Hungary. The Hungarian economic reform was undertaken in 1968, the Polish in 1973. At the outset, both countries had the form of economic organization and decision-making characteristic of the Soviet type of planned economy. Subsequent policy toward structural change in the two countries followed an entirely different course.

The Polish industrial organization remained unchanged, retaining direct central planning with all its familiar inefficiencies. In spite of the reform experience of the 1950s and 1960s, which demonstrated the tendency of the established interest groups in the traditional management system to obstruct or reverse reform efforts, the Poles established no changes in central bureaucracy or planning as they introduced their reforms. Rather the reforms were concentrated in the industrial organizations themselves, and were introduced incrementally. By 1975 the reform covered a very large segment of the economy—about two-thirds of industry, most of domestic retail trade, and parts of foreign trade and construction.

In contrast, the Hungarians determined from the beginning to apply all parts of the reform to every segment of the economy. Within existing institutional structures new legislation made universal certain key operating arrangements with great significance for the relationship between institutions. Hence the central ministries lost their power to assign plan targets directly to enterprises, and the enterprises were placed in a direct working relationship with financial institutions which bypassed the former planning structure. It was precisely the effective emancipation of the producers from the control of the central planning apparatus that made the Hungarian reform effective and lasting. By contrast, the Polish structure began with a central ministerial system closely resembling that of the Soviets (and lacking the structural reforms introduced in

Hungary in 1965), and that system remained intact to frustrate the reform program in the 1970s.

The Polish and Hungarian reforms had similar objectives—more efficient use of inputs, more production to meet consumer demand, and more effective production for foreign markets. To achieve these objectives meant abandoning centralized management in the Stalin command economy model and movement to a system of indirect management with new management rules. Decisions on production would move from central planners to managers, and both managers and workers would be remunerated on the basis of profitability—comparing revenues with costs.

The scope of the Hungarian reform, and the decision to apply all components of it simultaneously, made it radically different from the reform in Poland. Equally different was the implementation. As the regional and world economies posed new problems during the 1970s, the Hungarians retained the principles of the reform program while Poland soon abandoned its much less complete reform program altogether.

If it is true, as was asserted at the beginning of this essay, that economic reform is the key to political stability and reform in Eastern Europe and the Soviet Union, it is important to explore the reasons why reform has had so little success. The author of a recent comparison of Hungary and Poland finds it necessary to turn to non-economic factors to explain the Hungarians' success with reform: the relative political unity and stability in Hungary and the absence of the active opposition (farmers, church, and segments of the intelligentsia) evident in Poland; the small size and social homogeneity of Hungary; the timing of the Hungarian reforms, which were undertaken before the "Czech events" of 1968 hardened Soviet opposition to reform; and the success of Hungarian collectivized agriculture, which provided the secure food supplies that Poland lacked.[8]

What this says is that a Hungarian leadership committed to comprehensive reform was able to accomplish fundamental changes because it faced little internal opposition, could avoid popular discontent from food shortages, and timed its reforms to avoid Soviet obstruction. Soviet obstruction—combined with that of the entrenched internal bureaucratic interests of the centralized command economy—was ultimately the decisive factor and deserves closer examination.

The connection between economic and political reform in Eastern Europe was clearly understood by the Czech reformers of the 1960s. The reformers began with calls for democratization of the communist party, and then for freeing the press, culture, and the judiciary. As one of the participants remarked, it was only clear later that these aims would not be achieved without the "democratization of the economy"—a notion that became the slogan "expropriation of the state."[9] Thus Czech reformers recognized (as Milovan Djilas also had done years earlier) that state ownership of the economy was the foundation of state power in other areas. When approaching economic reform, however, it was not a question of eliminating state ownership of the means of production. It was rather one of moving toward a "market socialism" that would dismantle the state control of economic decision-making and priorities by dismantling the command economy.

From the Soviet perspective the Czechoslovak economic reforms were closely linked with radical proposals for political change—and were dangerous to the systems prevailing elsewhere in Eastern Europe, and in the USSR. In the wake of Soviet repression in Czechoslovakia in 1968, the reform cause was picked up by West European communist leaders who affirmed that the Czech experiment "helps the parties of certain socialist countries" and also assists "the communist parties of the capitalist countries in their struggle to create a new socialist society."[10]

The Czechoslovak reform schemes—and similar ideas propounded in the 1970s by Eurocommunist leaders—had broadened into a program advocated by both West and East

European communist reformers which challenged fundamentally the Soviet command economy model and, from the Soviet perspective, the political system which created it and was sustained by it.

Clearly, then, the Soviet leaders will remain profoundly mistrustful of East European economic reform that involves major structural changes, as the Brezhnev leadership was from the mid-1960s and the Andropov leadership continued to be. Limited reforms within the existing structure will probably be the rule. Yet if the one successful reform experience—that of Hungary—holds any clear lesson, it is that only a comprehensive reform can succeed against the powerful internal resistance of the traditional command economy structure. At the same time, it would appear that the combination of unusual internal advantages and fortuitous timing which produced the Hungarian achievement is unlikely to be duplicated elsewhere. Meanwhile, lacking such comprehensive reform, the prospects are for continued heavy Soviet subsidies and persistent instability in Eastern Europe as a result of unsolved economic problems.

The central quandary is, of course, that traditionalist leaders in the Soviet Union and Eastern Europe need and seek the efficiency of a market economy but continue to fear its political costs. They seem unwilling really to accept that "bureaucratic intervention from supervising ministries, on the one hand, and a high degree of monopoly in production on the other, are not consistent with the efficient operation of market forces."[11] And failing effective economic reform they are faced with permanent instability and the risk of periodic economic crises with political repercussions, points at which mass dissatisfaction can unite with dissident leadership and ideas within and outside communist parties. What Igor Birman wrote of the Soviet Union is also true of Eastern Europe: "It is the low standard of living, and not the absence of freedom, which is the main source of tension between the regime and the largest part of the population."[12]

The Soviets are also faced with the enormous cost of subsidizing the East European economies. It is impressive to observe how much they have had to pay to absorb the enormous costs of Eastern Europe's economic crisis as it developed in the 1970s. Measured in implicit subsidies and trade surpluses, Soviet support of East European economies grew from $500 million in 1972 to $15 billion in 1982. During 1980-82, Poland alone cost $7 billion, and even the latest rise in intra-CMEA oil prices in 1982-83 left the Soviets with a huge annual subsidy to Eastern Europe. Combined with a $6 billion annual subsidy to Cuba and Vietnam, the total Soviet subsidy to these allied communist states represents a formidable expense.[13] And the expense is incurred at precisely the time when the Soviets are experiencing severe capital shortages. Oil and gas exports to Eastern Europe represent not only subsidies, but also hard currency earnings forfeited. Meanwhile, the pressure upon Soviet economic planners to find investment capital for all needs, to maintain hard currency earnings, and also to meet the huge cost of subsidizing the economies of Eastern Europe poses a formidable challenge.

The changing pattern of subsidies since the advent of the Polish crisis shows a clear Soviet appreciation of the political necessity of those subsidies. Poland was a relatively low-priority recipient before 1980 and it is one of the highest-priority recipients now. The more efficient Hungarian economy is meanwhile required to carry a heavier burden—a paradoxical reward/penalty for more competent management.

There is an interesting double dependency operating in the economic life of Eastern Europe today. The East European economies, reeling from their most extensive and turbulent encounter to date with the global economy, have retreated in disarray behind a protective barrier of exchange and import controls while the costs of their late misadventures are managed by the West (banks, governments, and the IMF) and by the Soviets. And this situation epitomizes the larger predicament and challenge. Neither Eastern Europe nor the Soviet Union can escape involvement with the global economy and dependence upon it. Their trade patterns and their indebtedness provide the evidence. Yet their inefficient economies make interaction with the global economy enormously difficult and internally disruptive. Once again, the Hungarian example is instructive. The only economy that was genuinely (though still incompletely) reformed was the most successful in meeting the challenges of the 1970s.

For all of Eastern Europe a renewed and increased economic dependency upon the Soviet Union is the price of failure. Yet it is a Soviet price too, and the steady rise of prices of Soviet exports to Eastern Europe toward world market levels, and the efforts to contain or reduce exports of fuel and vital raw materials, demonstrate that even Soviet policy presses Eastern Europe toward integration with the global economy. Hence the persistent dilemma. Eastern Europe is pressed toward the global economy, but bearing a legacy of economic institutions and policies which must be radically changed if it is to cope. The instruments of political repression can compensate for many of the internal consequences of a weak economy; they are of no use in dealing with the consequences of weakness in a global economy to which both Eastern Europe and the Soviet Union are inexorably drawn.

NOTES

1. This is stated by a former Czech participant, Antonin Liehm: "In 1966, 1967 and 1968 we believed that the whole of Soviet policy was very much in the melting pot, and we thought we had reason to hope that the more enlightened men in the Soviet leadership had a good chance of overcoming the conservative elements." See George Urban, "Eurocommunism and the Prague Spring," *Survey*, 24 (Winter 1979), 106. It is clear that similar attitudes were widespread in Poland by the summer and autumn of 1980. See William E. Griffith, *1980: A Year of Crisis*, MIT Center for International Studies Monograph, Cambridge, Mass., November 1980.

2. The most impressive exception to this pattern that the present writer has encountered is W. F. Robinson's *The Pattern of Reform in Hungary: A Political, Economic and Cultural Analysis* (New York: Praeger, 1973). There is of course much fine scholarship on both the politics and economics of Eastern Europe. What is perhaps missing is a serious analysis of the long-term consequences of persistent economic problems. This is a task which the economists tend to leave to the political scientists and historians and which the latter tend to ignore or slight.

3. Jan Vanous, "East European Economic Slowdown," *Problems of Communism*, 31 (July-August 1982), 1-2, fn. 3.

4. Ibid., p. 4.

5. Ibid., pp. 6-7.

6. Ibid., p. 6.

7. Ibid., p. 7.

8. P. G. Hare and P. T. Wanlass, "Polish and Hungarian Reforms—A Comparison," *Soviet Studies*, 33 (October 1981), 515-16. A broader review of the Polish reform efforts is provided by Wanlass in "Economic Reform in Poland 1973-79," *Soviet Studies*, 32 (January 1980), 28-57. An excellent comprehensive review of the Polish economy today is provided by Zbigniew M. Fallenbuchl, "Poland's Economic Crisis," *Problems of Communism*, 31 (March-April 1982), 1-21.

9. Urban, pp. 11, 21-22.

10. Jiri Valenta, "Eurocommunism and Eastern Europe," *Problems of Communism*, 27 (March-April 1978), 44.

11. Hare and Wanlass, p. 513.

12. Igor Birman, "The Financial Crisis in the USSR," *Soviet Studies*, 32 (January 1980), 90.

13. Vanous, p. 6, provides the figures for Eastern Europe.