

'West Coast Seminars'
on
Economic and Social Change in Russia and Eastern Europe
(Glasgow, West of Scotland [Paisley campus] and Strathclyde Universities)
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'The sovnarkhoz reform'

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Wednesday 21 April 2010
at 5.30 pm

University of Glasgow, CEES Seminar Room, 8-9 Lilybank Gardens

Tea and coffee will be available from 5.00

All Welcome

Abstract:

By the beginning of 1957, after a number of reorganizations within the ministerial system held since Stalin died, Khrushchev had become strongly convinced that Soviet industry would grow faster if the administration of the economy from one centre was reduced to a minimum in favour of the local managers. Based on Khrushchev's project, the *Sovnarkhoz* reform abolished the industrial ministries and transferred their functions to the remaining central agencies, republican governments and the newly created economic councils in 105 economic regions, *sovety narodnogo khozyaistva*, or *sovnarkhozy*. For the first time in Soviet history, the *Sovnarkhoz* reform had tested the idea of decentralization and proved its incompatibility with the Soviet system. It had clearly illustrated the power of the central economic bureaucracy, its refusal to consider alternative ways of managing industry, resilience to reorganizations and physical ability to effectively resist the devolution of the centralized decision-making. The paper will start by briefly introducing the *Sovnarkhoz* reform, Khrushchev's reasoning behind it and his expectations from the republican governments within the new system. It will then illustrate the above-mentioned statements by examining the experience of the Ukrainian republican authorities in a crucial aspect of the reform, management of resources, paying particular attention to the controversies related to control of inter-republican deliveries.

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