

hand, Belgians sought to create limits for these workers in order to prevent mass and uncontrolled migration which could threaten their own colonial economy.

Andropov's "Perestroika" and Soviet-Czechoslovak relations in 1982-1984

TIMUR KASHAPOV

There are countless studies of the economic history of the Soviet Union and its empire in scientific journals, papers, and books. Most of them are dedicated to the foundational period, the demise of the Eastern Bloc, or the revolutionary events in individual countries. However, the period with which the reader will become acquainted in this document is one of the less studied.

In most of the works, the so-called transitional period between Brezhnev and Gorbachev is very often merely mentioned; but after a closer study of the period between 1982 and 1984, it is necessary to say that there were many important facts and trends. The personality of new General Secretary was very complicated; the contradictions in his ideological, foreign and economic policy are even more interesting to study. Jury Andropov personifies the image of the Soviet political figure, the Soviet Union, and the Soviet bloc, for the external observer; it is as if nothing has changed from time Winston Churchill's quote about the Soviet Union, stating "*It is a riddle, wrapped in a mystery, inside an enigma*".¹

In the second part of the paper, as part of the analysis of Andropov's domestic and foreign policies, we will examine the influence that the new Soviet strategy had on Czechoslovak-Soviet relations, including its different aspects of economic and scientific-technological cooperation.

First, it is necessary to briefly evaluate the legacy of Brezhnev's era, which Andropov had to face.

1) In: <http://www.phrases.org.uk/meanings/31000.html>, [cit. 12.April 2011].

Brezhnev's legacy

Limits on modernization and symptoms of economic stagnation became evident in the Soviet economy in the 1970's: technological development of industrial facilities came to stop, obsolescence of machines and equipment accelerated, and returns from capital investment in industry, especially in agriculture, swiftly diminished.²

The Party's evaluation of the Brezhnev period's regime was summoned up in Mikhail Gorbachev speech after his election: *"It was nothing else but conservative reaction to Khrushchev's reform of then existed totalitarian model of state; although the new Constitution was adopted in 1979 and there were plenty of talks about democratic principles the Party's power founded on, very little was done under Brezhnev to promote it and involve population in this process; but at the same time the unprecedented campaign (after Stalin) against dissidents took place."*³

Brezhnev passed away in November 1982. After securing the support of the army (Ustinov), the KGB (Chebrikov), and the "reform-oriented" wing of the Communist Party of the Soviet Union⁴ (Gromyko, Gorbachev) during last months of his predecessor's reign, Yuri Andropov was elected as the General Secretary of CPSU, becoming effectively the first Soviet leader with substantial experience in the State security committee - the KGB.

The following are the characteristic features of Soviet Union in 1982, Andropov took over as the new Soviet leader:

- an increased tempo in militarization, the arms' race, and the production of armaments
- unilateral preferences in heavy-industry branches
- an acute problem of "dolgostroj" (protracted construction)
- high wear on equipment, infrastructure and transport facilities; technological backwardness of Soviet technology
- agricultural over-capitalization, old kolkhozes' and sovkhoses' structure, primitive tools and cultivation methods for soil and crops

- rapid urbanization, an aging population in the central regions of the Soviet Union inhibited by the Russian population
- growing alcoholism among the population, degrading of social and living conditions (predominantly in smaller towns and Soviet villages); an unprecedented decrease in average life expectancy (from 66 to 62 years over the period of 1980-1984)⁵
- an ecological crisis⁶, continued devastation of natural resources, dislocation of highly-polluted production in densely populated areas (mainly the bigger cities of the Russian Federation)

Andropov's "Perestroika"

There was little information about the new General Secretary, apart from the biographical note printed in the "Pravda" newspaper the day after Andropov was elected. In the Soviet Union he was not widely known, and even less so in the West. Western newspapers contained a lot of speculation about the personality of the new Soviet leader; there were articles about Andropov being the "new Kennedy", claiming that he "excels in culture", he is a "secret liberal", "pragmatic and open for political modernization and economic reform", "liable to the Western influence", and that he "spends his free time by reading American detectives, listens to jazz". There was a positive response to Andropov's election even dissident circles and among Soviet emigration representatives (V. Bukovsky, R. Medvedev, or D. Litvinov).

According to Gorbachev, Andropov was well-informed about the situation in the country, and understood the threat of growing problems; because of his long term as director of the KGB, Andropov received, apart from Brezhnev himself, the most valuable and factually accurate information about the state of the country and economy as a whole. Therefore, he knew also about severe financial problem the Soviet Union then faced, and he was ready to combat them by "returning to Lenin's legacy", which he considered

2) T. I. BEREND, *From the Soviet bloc to the European Union*, New York 2009, p. 31.

3) M. GORBACHEV, *Zhizn' i reformy* [online]. [cit. 22. March 2011]. Available at <<http://www.gorby.ru/gorbachev/memoirs/>>, p. 20.

4) The CPSU.

5) R. SAKWA, *Soviet politics in perspective*, New York 1998, p. 120.

6) For a closer look in the particular ecological impacts of Soviet-style industry see contemporary studies of Lake Aral tragedy, the consequences of nuclear tests in Northern Kazakhstan and Chelyabinsk region, Vorkuta and Norilsk agglomerations pollution etc.

to be the most effective and appropriate method (as was typical for old high-ranking Party officials).⁷

Although a positive atmosphere surrounded the "election" of Andropov, to understand his personal qualities and intentions, we have to take a look at his past actions as a significant political figure, those being the events occurring in Hungary (in 1956 when Andropov was Soviet ambassador to Hungary) and Czechoslovakia (in 1968, his first year in charge of the KGB). The main lesson he derived from those events was how easily a communist party could lose power if it loosened its ideological control, or level of censorship, or if the fear in the society disappears; nothing else could reduce the power of the Party, not even economic difficulties or enemy actions.⁸

In his first address as the General Secretary at the plenary session of CPSU on November 22, 1982, Andropov included passages detailing new approaches to the situation in the Soviet Union and the state of empire. Andropov stressed some serious defects of the economy, the non-fulfillment of the two Five-year plans; the need to improve the performance of economics mechanisms, the stimulation of labor productivity, innovation, and the spirit of state enterprise. He has also mentioned strengthening precision, discipline, and control.⁹

Andropov's intentions can be also found in the article in the "Communist" journal article,¹⁰ where he submitted the idea that the Brezhnev's system of "developed socialism" was only the beginning of a long historic period, with an interior development emphasis, and he stressed the need to rethink the state of the Soviet society ("*...a need to see the real dynamism of society*"). Thereby, "Leninist ideas",¹¹ such as strict discipline, self-discipline, and orderliness, became the core of Andropov's reforms directed at overcoming the crisis in the Soviet system.

7) M. GORBACHEV, *Zhizn' i reformy* [online]. [cit. 22. March 2003]. Available at <<http://www.gorby.ru/gorbachev/memoirs/>>, p. 32.

8) R. MEDVEDEV, *Andropov*, Moscow 2006, p. 20.

9) Introductory speech of J. V. Andropov as General Secretary (Pravda, 22 November 1982), in: Russian State archive of modern history, fund 89, inventory 67, unit 20, p. 5.

10) J. V. ANDROPOV, *Learning Carl Marx and other questions of socialist development*, in: *Kommunist*, no. 3, 1983 in: Russian State archive of modern history, fund 89, inventory 61, unit 10, p. 2.

11) Same rhetoric as in Gorbachev's 1985-86.

Although it is obvious today that the administrative system's "bureaucratic" treatment was not a winning strategy, the "new course"¹² was endorsed by ordinary Soviet communists and citizens. Andropov chose these measures in accordance with his past experience without any change to the basic principles of Marxism-Leninism, or an introduction of democratic elements (making it a "suppressing, rather than solving" strategy).

The deep built-in conservatism of Andropov's thinking¹³ proved itself as an insurmountable obstacle for the new Soviet leader. Changes in ideology were never subjected to discussion,¹⁴ although he allowed, and even endorsed intra-Party democracy and discussion.¹⁵ Although, Andropov never changed the Soviet evaluations of historical events, he did begin gradually removing Brezhnev's cult of personality, which had been applied to all means of propaganda and mass media since 1970.

His reforms were a new type of synthesis, one created by combining martial law and economic reorganization measures. He began with limiting the privileges of the nomenclature, fighting Brezhnev clan's corrupt officials, curtailing the powers of the most important institutions and lobbies (such as the military complex and Ministry of interior). Andropov's reign primarily witnessed a deep shift away from the CPSU to other operating levels of power, namely defense structures; even so that does not mean he accepted the decentralization of Party power. The stronger KGB role was aimed at buttressing the party's leading role, not its degradation.

Thereby, his first steps were profoundly political, above all reallocation of cadres: Andropov began by persecuting his historical antagonists and the most corrupt Party officials, associated with Brezhnev clan, first of all figures of the interior minister M. Schelokov, the Krasnodar region Party leader P. Medunov, and the KGB vice-director A. Cvigun. Conversely, he promoted to the Politburo and Secretariat positions several new generation communists, such as M. Gorbachev, J. Ligachev or N. Ryzhkov.

Though the Soviet ideology was never outright impugned, the new General Secretary began a search for new concepts relating to internal and

12) Concept of Uskorenie i disciplina.

13) Stalinist-past legacy influence.

14) For example, amnesties were not applied to political prisoners, the trials over dissidents went on, the emigration of Soviet Jews became more complicated.

15) Famous Andropov's "brain trust" which included Alexandrov-Agentov, Bovin, Volskij, and others.

economic policy (apart from policies regarding discipline and order). Gorbachev became delegated authority over the economy and was tasked with primary analysis of the state of economy (in 1983 Gorbachev-Ryzhkov group worked out and presented a report by the leading economic experts A. Aganbegjan, M. Bogomolov, A. Shatalin, A. Abalkin, and N. Zaslavskaya outlining the situation and probable measures needed to improve the situation). The result of this cooperation between Party officials and scientists was an "economic experiment" encompassing five ministries and aimed at encouraging producer authority by reducing the power of the central ministries' (i.e. the number of compulsory instructions), and there were two laws introduced in July 1983 directed at increasing the independence of producers and strengthening socialist working discipline.¹⁶ Andropov believed, that with help of the KGB and "healthy elements" in the Party nomenclature, he would be able to ward off a crisis and mobilize the society for a new wave of modernization.

It is safe to say that Andropov's economic program did not change the basics of traditional socialist economy,¹⁷ which retained an emphasis on agriculture, despite acknowledging the need to produce enough high-quality consumer items. The economic experiment launched in July 1983 was supposed to solve this problem and bring to the Soviet economy limited decentralization and increase proportion of profits remaining in the hands of producers and used in accordance with the needs of local managers. According to this plan, by introducing a partial financial incentive, it had to encourage the development and application of new technologies, thereby improving the productivity of the labor force and thus freeing surplus labor for other economic needs. Demand for introducing tangible incentives to the economy in order to launch a self-regulated mechanism of raising labor productivity was tackled by the Law on Labor Collectives¹⁸ (involved self-management incentives for labor collectives as well as self-policing mechanisms). This law was also aimed at encouraging workers to participate in the designation of their leaders, to decide on the distribution of salaries and working tasks, although workers were not allowed to encroach on the authority of managerial staff. This law was supposed to raise employees' moral and discipline, as well as improve their quality

of work by introducing a three-degree wage chart (which was similar to Czechoslovak measures from 1980). The worker moved along the chart as a function of his productivity, which was measured (once again) by quantitative indicators.

In agriculture, Andropov's reforms (which were authored, applied, and supervised by Gorbachev) were in line with those of his predecessors, especially Khrushchev. These measures reverted Soviet (Russian) agriculture back to the commune-style cultivation of land: a small number of families connected by a "collective contract" were offered land, seeds and equipment, and were rewarded according to proven results, keeping an appropriate profit based on crop production. The measures were supposed to increase the purchasing prices of agricultural production by 30 %, introduce purchasing premiums for low-profit and unprofitable farms, and amortize or prolong the terms of expiration for kolkhozes' and sovkhozes' debts. Permitting sales of more agricultural products on open markets, so called *Kolhoznyi rynok*, expanded the system of cooperative trade for agricultural production. Agricultural reforms likewise assumed an increase in the price for scarce commodities and a corresponding decrease for those of redundant items. This was intended to primarily encourage big state farms, i.e. sovkhozes, to specialize in the production of more profitable items.

The establishment of order and discipline across the country and in the production sphere deferred a number of negative processes in economy and temporarily increased labor productivity. The administrative measures of Andropov's reforms allowed the Soviet industry to exceed the 1983 plan by 6.2 % in agriculture by 4 %, industrial production rose by 4.7 % and labor productivity by 3.9 %¹⁹ (these figures were partially due to favorable weather conditions during 1983 and the immediate effects of the mobilization policy).

In the second half of 1983, next portion of laws was adopted. It oriented at the areas such as modernization of technological level and rise of machines and equipment quality, improvement of population goods' procurement, development of domestic service sector, further increase of power of labor collectives, and adoption of the new large-scale economic experiment in designated industries - heavy and transport industry, electrotechnical branch, Ukraine's food industry and Belorussian light industry. The typical features of these measures were the introduction of income incentives, and non-encroaching on the socialist pattern of the economy.

16) N. I. Ryzhkov in his memories named this two laws as "*the beginning of Perestroika, although limited by powerful ideology*"; the economists working on this "new strategy" continued their work under Gorbachev too.

17) SAKWA, p. 102.

18) Russian State archive of modern history, fund 89, inventory 9, unit 124, p. 10.

19) East European economies: slow growth in the 1980's, United States Congress. Joint Economic Committee, Washington, DC [US] : U.S. Government printing office, 1985-1986, p. 37.

The Resolution of Central Committee and Council of Ministers about the measures of acceleration of scientific-technological progress of National economy was adopted on 28 August 1983²⁰ obtained the "second wave" of Andropov reforms. It assumed the beginning of attestation of all produced goods according to the created scale of the highest and first quality categories:²¹ high-quality goods were to be sold with tangible 30 % premium for the producer, while the rest of goods were to be withdrawn from the market; new State committee was entrusted with control over the process.

Ambiguity and half-heartedness of reforms pointed out the dilemma Andropov had to face: the psychological factor of the need to improve economic performance and, at the same time, need to preserve the "socialist state achievements". It contributed to large discontent among his Party adversaries and his former supporters; it did lead eventually to the deterioration of the General Secretary's health and temporary victory of conservative elements headed by K. Chernenko.

The years of Andropov's reign stressed the paradox of last years' existence of the Soviet empire. There were few people in the country who realized that the unlimited power of Party's General Secretary and CPSU, they were helpless (and aftertime hopeless) to turn the situation to the better. Personal interest, objective stronger socialist competition, more Central Committee directives, and stricter administrative sanctions could not substitute economic laws. Andropov as one of the most educated and informed officials succumbed to the old-Leninist vision of tackling the crisis. There was no surprise then, that the new generation of communists represented by Gorbachev, Ligachev, Ryzhkov or Lukjanov had the same ideas and methods how to tackle structural problems.

Providing reader with proves of the interconnection of Gorbachev's Perestroika in its first phase and Andropov's reforms, is one of the tasks of this paper. Understanding close relation of these two politics would provide the reader with reasons of the popularity of Andropov and Gorbachev (in the first phase of Perestroika),²² the late revolt against Gorbachev, and the policy's failure.

20) Russian State archive of modern history, fund 89, inventory 9, units 127, p. 1.

21) The prototype of future Gospriemka system.

22) For particular details compare the introduction speeches of Andropov (Pravda, 22 November 1982) and Gorbachev (Pravda, 14 March 1985) in: Russian State archive of modern history, fund 89, inventory 67, unit 20, p. 5.

Gorbachev and Andropov

Andropov is rightly considered as the first high ranked official who noticed Gorbachev as the out of common politician and effective (from the Soviet point of view) manager. Andropov promoted Gorbachev to the position of Secretary of Central Committee on agriculture, extended his duties and authorities after 1982, and encouraged Gorbachev to take more active part in Politburo meetings to acquaint him with the work besides the agricultural sector.

The early Perestroika reflected the ideas and traditions of Andropov's time: economy reorganization, end to arms' race (Andropov arms limitation offers of 1982), denial of force in international conflicts, and achievement of internal transparency within the CPSU. Under Gorbachev, Perestroika was formulated as the "demand for greater discipline in the production process and measures in accordance with Leninist context" (address at the meeting with old guard and new generation communists²³).

The connection of early 1985–86 Gorbachev statements and Andropov's policy are clearly evident after reading one of the most famous Andropov speeches to Politburo on 1 July 1983: "*Secretariat has to concentrate mainly on economics. Gosplan has kept itself out of solving the most important questions of our economy's development, it doesn't display enough initiative; the main task is to stir up activity of Gosplan on the most important directions of our economy... Secondly, the harvest problem: it's not a secret that we lose a great part of harvest in consequence of incompetence and inability of local cadres... Next question is related to control and inspection of measures' implementation, ministries that is to say are not doing enough. To solve it we need to embrace my new cadres' policy, intra-Party changes of work organization policy; to achieve that, we need to intensify our party-political work with emphasis on ideology, stressing our traditional, Leninist values...*"²⁴ Uskorenie concept, Gospriemka and "return to Lenin" as the main theses of first phase Perestroika are clearly visible in this Andropov's address to the Politburo.

Economic measures of Andropov's policy in Perestroika are also clearly observed. Andropov saw the administrative, directive measures as the only way to accelerate economic progress. Under Gorbachev it meant that managerial techniques were transferred from military industrial branches to

23) Russian State archive of modern history, fund 89, inventory 61, unit 6.

24) Translation of Andropov's address on the Politburo meeting, 1 July 1983, in: Russian State archive of modern history, fund 89, inventory 67, unit 19.

civil industry. Chairman of Council of ministers of USSR remembers, that the State committee on military-industrial complex, which included all the ministries and agencies, was adopted as a model for economy's controlling body (the Bureau of Council of Ministers in engineering industry, chemistry, fuel-energy complex, social development or agricultural sector). The brightest example of military-administrative measures' application was creation of state acceptance system of industrial products (Gospriemka): functioned only in defense industries before, government and bureaucracy powers were then extended to consumer industries. Gorbachev application of Andropov-style reforms was possible only due to the support of his predecessor's allies.²⁵

Significant popular support and strong Party positions contributed to the fact, that short Andropov's spell has left significant tracks in Soviet people's consciousness. Admiration and belief in authoritarian-style leader have long tradition in Russian history, as well as hope that the new rule could bring peace and order to the country. As long as Gorbachev politics and performance satisfied demand for "strong leader", communist elite and population supported him. But since the liberation of society and absence of fear became a trait of everyday life, situation got out of hand; nowadays, it is easier to understand in this context the massive support of Putin's regime in modern Russia.

Andropov's foreign policy

To begin analysis of the other part of the paper's task, the development of Soviet-Czechoslovak relations in Andropov era, it is inevitable to examine and analyze the foreign policy of the USSR in 1982-1984. It is clear that international political circumstances, in most cases determine the economic conditions of economic cooperation and intensity of Soviet-Czechoslovak relations.

It is hard to determine the clear strategy of Andropov's foreign policy, which, as we find out, mainly adapted to exterior challenges; it lacked understandable goals it wanted to achieve. If it is possible to determine Andropov's domestic strategy (establishment of order, strict discipline), the complexity and large number of international conflicts led to "solve as you go" type of policy. The war in Afghanistan, Solidarity phenomenon in Poland, unsolved problems in Sino-Soviet, Japanese-Soviet relations, conflicts

25) Mainly former Foreign minister and now Chairman of Presidium of Supreme Soviet A. A. Gromyko.

in the Middle East, Ethiopia, in the South of Africa, worsening relations with Western Europe, and the USA - those are just the most acute problems Andropov had to face on the international scene.

In Andropov's "Selected speeches and articles", published in 1983, we find the explanation of principles General Secretary was led by in his formulation of the Soviet foreign policy. In the article "Leninism - the science and art of revolution's creativity", we find out that "Our policy is in its essence and according to its targets is a class policy; class approach is our dominant guided principle, its framework is determined by the Communist Party of the Soviet Union".²⁶ The class approach doomed Soviet economy to never ending confrontation, fight to exhaustion, denying any possibility of concession to class enemy. During his fifteen months reign, Andropov was unable to return to pre-1979 Brezhnev's détente; class thinking dictated fight for sustainment of nuclear parity and achievement of advantages at the expense of opposing side at any price ("zero sum" strategy).

Sustainment of Brezhnev's nuclear parity achieved in the end of 1970's was eventually one of the goals of Andropov's political representation. It was done with just one intention: as long as the Soviets were able to keep the achieved degree of militarization, the country had strong bargaining position in the world confrontation with the West. Andropov understood that the Soviet nuclear weapons and the Red Army were the only means that sustained USSR's superpower position (the Soviet Union was commonly called in diplomatic circles as Upper Volta with rockets²⁷). The same characteristics were applied for the US-Soviet relations in Brezhnev's era, but the new American president, strongly anti-communist Ronald Reagan adhered to a policy of combating communism: clearly formulated his stance to the USSR²⁸ and denounced policy of "nuclear appeasement" (program of SDI).

26) J. V. ANDROPOV, *Selected speeches and articles*, Moscow 1983.

27) MEDVEDEV, *Andropov*, p.142.

28) Reagan's March 8, 1983 speech to the National Association of Evangelicals in Orlando, Florida: "So, in your discussions of the nuclear freeze proposals, I urge you to beware the temptation of pride, the temptation of blithely declaring yourselves above it all and label both sides equally at fault, to ignore the facts of history and the aggressive impulses of an evil empire, to simply call the arms race a giant misunderstanding and thereby remove yourself from the struggle between right and wrong and good and evil", in: President Ronald Reagan: Evil Empire speech, available at: <http://www.commandposts.com/2011/03/president-ronald-reagan-evil-empire-speech/>, [cit. 12 April 2011].

Further aggravation of international political situation, sharpening of Soviet-American rhetoric, and extended confrontation of two ideologically opposed camps happened in September 1983 after an incident that changed the commercial aviation industry, when the South Koreans airlines' Boeing was shot down above the Sea of Okhotsk. Primarily, the Soviet officials²⁹ didn't admit to their actions; only after a week of denials and false press conferences, the Pravda newspaper printed an address of Politburo with condolences over "the death of innocent people". Influence of this incident to the Soviet reputation was immense, comparable probably to the Afghanistan war; it led to further strengthening of Euro-communism platform in Western Europe, rising discontent with Soviet presence in some parts of the planet, increased support for the new American policy's stance toward the Soviet camp and the Soviet Union's strategy.

The USSR's deployment of intermediate-range modernized rockets³⁰ (NATO signature - SS-20) targeting the Western part of the continent was another famous affair of Andropov's era. It caused a growing alarm in NATO and the USA and led to the installment of Pershing II missiles and newly developed cruise missiles (predominantly on the West-German soil).

This missiles' deployment in the Federal republic of Germany had very significant moral, national and psychological aspect for the Soviet Union, particularly after Social democrats (SPD) were defeated in the German elections of 1983, which explain non-symmetrical answer measures the USSR came up with. It aimed at the "renewal of breached strategic parity" which included: deployment of more accurate tactical nuclear missiles in GDR and Czechoslovakia, construction of new bases in Chukotka region for intermediate-range missiles, walkout from the negotiations on the limitation of nuclear weapons in Europe, and cancellation of moratorium on deployment of new long-range nuclear missiles in the European part of the Soviet Union.

New wave of arms race had considerable consequences not only to the foreign-policy agenda, but to the economy as well. Now, the deterioration of economic problems of Soviet satellites, including Czechoslovakia, rose as the other problem for Andropov. Worsening of economic performance regi-

29) At this time, Andropov was in the hospital; Chernenko and Ustinov were in charge of Politburo meetings.

30) The deployment of new missiles was reasoned by the Soviet officials with modernization of old SS-4 and SS-5 missiles, although USSR substituted the old missiles in relation 1:1, the new SS-20 obtained a multi-warhead system instead of just one warhead installed in SS-4 and SS-5 systems.

stered in Czechoslovakia aggravated problems that began back in the Sixth five-year plan years. The slowing-down of economic growth³¹ displayed by qualitative and quantitative indicators, thoroughly influenced the compilation of seventh five-year plan.³²

The renewed arms race negatively influenced the Socialist bloc's economics. The list of social benefits has never been extended; the planners' aim was to keep consumer standard and ensure sufficient supply of existed demand. These measures did reduce poverty, but generally led to the lower living standards.³³

Economic difficulties of satellites extended their ever growing dependence on the Soviet economy. The USSR had to spend more hard currency to subsidize its ineffective economies. The dependence manifested in the growing numbers of imports from Comecon countries to the Soviet Union (64 % of imports of investment goods in 1984 from Czechoslovakia headed for the Soviet market) was characteristic after 1982. The case of Czechoslovakia and Soviet-Czechoslovak economic relations and cooperation, and its development in the 1982-1984 period, is the subject of the next part of the paper.

Soviet-Czechoslovak trade, economic and technological cooperation

After the analysis of impacts the new General Secretary's ideological, economic and foreign policy had on domestic Soviet scene, we turn our attention to the bilateral relations with Czechoslovakia.

Andropov continued in the footsteps of his predecessor: his strategy was dominated by Brezhnev's doctrine in political sphere and exclusive economic orientation on the Soviet market in the economy, although some new elements are present, such as intensification programs, Comecon specialization programs, and increased intensity of joint investment programs. To analyze relations, we would concentrate to the following areas of cooperation: trade, bilateral investment activities, scientific and technological cooperation. It will allow to summon up the results and outline trends

31) For more data about Czechoslovak growth in the 1981-1983, see East European economies: slow growth in the 1980's, United States Congress. Joint Economic Committee, Washington, DC [US]: U.S. Government printing office, 1985-1986, p. 42.

32) Russian State archive of modern history, fund 89, inventory 67, unit 20, p.5.

33) K. DURMAN, *Útěk od praporů. Kreml a krize impéria 1964-1991*, Prague 1998.

characteristic for the Soviet-Czechoslovak relations in 1982-1984 period (longer 1980-1985 cycle is examined for the purpose of putting new trends into the context and presenting reader with the economic picture of the Soviet and Czechoslovak relation development).

Bilateral relations were considerably influenced by set of problems Czechoslovak economy had to face. First, necessity to deal with influence of world „price explosion” to the domestic economy: the level of import prices grew by 54 % (1975-1982), whilst population's living costs grew by only 1 %, ³⁴ in 1970-1980 period the average prices of CSSR's export grew by 60 %, but imports' prices rose by 95 %, thereby terms of trade worsened by 18 %. ³⁵ In consequence, elevated incomes achieved by rise of volume of exports still were not enough to pay for imported goods. ³⁶ Due to rise of prices, Czechoslovakia had to increase exports by 10% of industrial items in physical terms to the USSR in 1975, than in the year 1970, 22 % more in 1980, 35-40 % in 1983-1984. This led to forced acceleration of exports (by 22.3 % in 1981-1985 period) in compare with 2% ³⁷ growth in physical terms of Soviet imports.

Czechoslovakian planners tried to deal with unfavorable balance of payments in bilateral trade with the USSR with increased effort to export more machines, equipment and consumer products to the Soviet Union. The policy had the following consequences for CSSR's economic structure:

1. efforts to level balance of payments by mobilization of domestic reserves of Czechoslovak economy and search for additional export funds led to elevated investment expenditures, transfer of funds to prioritized sectors of the system (thus shortage for other purposes);
2. changed proportion of exported/imported machines (2:1 in 1975 to 4:1 in 1985) negatively effected intensification efforts undertaken in the 1980-1983 period, therefore affecting CSSR engagement in socialist integration process;

3. efforts to increase production and exports of machines and equipment led to neglect of quality in R&D area (generally characteristic for industrially advanced Eastern bloc' countries);
4. decreased imports of Soviet consumer goods and food due to worsened trade terms influenced supply of Czechoslovak domestic market;
5. further forced industrialization (to export more goods) limited the development and modernization of industrial base, weakened consumer products' competitiveness.

Derived extensive dependence on foreign trade with the Soviet Union was natural consequence of described trends, and the small size of Czechoslovakian domestic market. In the period of 1982 to 1984, CSSR's close attachment to the Soviet economy deepened even further due to technological revolution in the West, which considerably limited the access of the Czechoslovak goods' exports to the Western European markets.

Share of trade article in overall exports of Czechoslovakia to the USSR (%)

Item	1981	1982	1983	1984	1985
Machines, equipment, transport vehicles	46,9	49,1	50,8	53,2	53,0
Fuel, raw materials	23,5	24,4	24,8	23,2	22,7
Chemical agents, fertilizers, rubber	20,9	22,0	20,0	21,3	21,6
Building materials	17,8	24,4	23,8	26,4	30,7
Non-feed raw materials	4,9	6,8	5,2	6,4	6,5
Live animals	1,0	2,1	4,9	4,5	5,5
Feed raw materials	15,4	48,9	28,5	16,6	13,2
Food	20,8	25,9	24,6	28,2	33,0
Consumer industrial goods	43,4	47,4	48,4	50,0	50,9

Source: J. FINGERLAND, *Národohospodářský komplex SSSR a československo-sovětská spolupráce*, Praha 1989, p. 146.

34) V. PRŮCHA, *Hospodářské a sociální dějiny Československa 1918-1992*, 2.díl, Praha 2009.

35) National Archive, Central Committee archive fund (1984), signature P111/84, unit 6957, p.6.

36) It is important to mention that Czechoslovakia's terms of trade, i.e. export prices, were also influenced by low quality of exported goods, therefore low prices they were sold for on the world market.

37) V. DANSHINA, *Ekonomika Chechoslovakii v 80-e gody*, Moscow 2003.

Share of article in overall imports of Czechoslovakia from the USSR (%)

Item	1981	1982	1983	1984	1985
Machines, equipment, transport vehicles	24,3	25,2	27,4	27,6	25,9
Fuel, raw materials	73,2	77,8	79,2	80,6	81,7
Chemical agents, fertilizers, rubber	16,9	18,3	18,6	21,3	22,3
Building materials	6,5	7,7	4,6	5,5	5,2
Non-feed raw materials	16,8	19,4	19,9	20,2	20,3
Live animals	6,5	6,5	4,9	6,2	6,8
Feed raw materials	0,6	1,1	1,4	1,1	1,0
Food	5,9	6,6	6,7	5,9	6,0
Consumer industrial goods	10,1	9,3	10,4	11,2	8,3

Source: J. FINGERLAND, *Národohospodářský komplex SSSR a československo-sovětská spolupráce*, Praha 1989, p. 147.

Shares of particular articles in indicated period copied long-term trends of Soviet-Czechoslovak trade, although the interdependence of both economies did rise primarily due to external factors (price factor), rather than as a consequence of growing intensity of mutual trade. Steadily growing Czechoslovak dependence on the Soviet market had negative long-term impacts on CSSR's economy: guaranteed sales on the Soviet market led to systematic decline of technological level, machinery industry oriented economy produced about 90%38 of branch's nomenclature, absence of competition and income-driven motivation led to stagnation of managerial and working cadres; on the other side, guaranteed full-employment system helped to avoid large manifestations of popular discontent and contributed to preservation of social calm.

Let's now take a look at the mere structure of Czechoslovak-Soviet trade. The data displayed in Tables the Soviet imports from the CSSR and Structure of Czechoslovak import from the USSR gives us an image of bilateral trade structure in 1981 to 1985 period.

Soviet trade with Czechoslovakia 1980-1983 (millions of rubles)

(current rubles)	1980	1981	1982	1983
exports	3648	4382	5048	5872
imports	3536	4105	4732	5420
trade balance	112	277	316	452
(constant rubles)	1980	1981	1982	1983
exports	-	3810	3883	4092
imports	-	3783	4097	4425
trade balance	-	27	-314	-333

Source: *East European economies: slow growth in the 1980's*, United States Congress. Joint Economic Committee, Washington, DC [US]: U.S. Government printing office, 1985-1986, p. 32.

The Soviet imports from the CSSR (%)

item	1981	1982	1983	1984	1985
Machines, equipment, transport vehicles	64,5	63,5	66,4	68,3	68,3
Fuel, raw materials	9,3	8,8	8,4	7,3	7,3
Chemical agents, fertilizers, rubber	3,1	3,1	2,8	2,7	2,8
Building materials	1,1	1,4	1,3	1,5	1,5
Non-feed raw materials	0,5	0,6	0,6	0,5	0,5
Live animals	-	-	-	-	-
Feed raw materials	0,3	1,5	0,5	0,2	0,2
Food	1,7	1,4	1,2	1,5	1,6
Consumer industrial goods	19,3	19,6	18,8	17,9	18,2

Source: J. FINGERLAND, *Národohospodářský komplex SSSR a československo-sovětská spolupráce*, 1989, p. 142.

38) O. TUREK, *Podíl ekonomiky na pádu komunismu*, Praha 1995, p. 10.

Structure of Czechoslovak import from the USSR (%)

item	1981	1982	1983	1984	1985
Machines, equipment, transport vehicles	20,8	18,9	19,4	19,7	18,6
Fuel, raw materials	69,4	72,5	72,5	72,3	73,4
Chemical agents, fertilizers, rubber	3,8	3,3	3,1	3,2	3,4
Building materials	0,1	0,1	0,1	0,1	0,1
Non-feed raw materials	3,6	3,2	2,9	2,9	2,8
Live animals	-	-	-	-	-
Feed raw materials	0,1	0,1	0,1	0,1	0,1
Food	0,8	0,7	0,6	0,5	0,6
Consumer industrial goods	1,4	1,2	1,3	1,3	1,1

Source: J. FINGERLAND, *Národohospodářský komplex SSSR a československo-sovětská spolupráce*, Praha 1989, p. 144.

The 1982-1984 years' proportion of exports comprised traditionally of machines and equipment (reached about two thirds of the overall exports), the second decisive aggregation was deliveries of wide range consumer industrial products on the Soviet market. Imports from the Soviet Union were composed of fuels and raw materials deliveries, metals, machines, equipment and transport vehicles.

Other aggregations occupied second-rate positions and make up only 30 % of the USSR-CSSR trade, despite the fact that their dynamics of exporting volumes are much higher during this period. It applied to Czechoslovakian exports of building materials and spare parts, feed raw materials (malting barley and hops), food (dominated by meat and meat preparations, beer, butter, confectionery), and industrial consumer products (footwear,³⁹ leather haberdashery, glass tableware, bijouterie)⁴⁰ and particular Soviet

39) Special position in the Soviet-Czechoslovak trade is occupied by the CSSR's shoe export: 600 million pairs of shoes was regularly delivered on the Soviet market (98 % of the CSSR's shoe export), in: National Archive, Central Committee archive fund (1983), signature P65/83, unit 4042, p. 2.

40) One of the typical distribution methods to elevate sales of Czechoslovak goods in the Soviet Union was construction of highly tailored shops in the largest Soviet cities, for example "Praga" supermarket in Moscow district Chertanovo with turnover of 85 million of Rubles a year specialized in Czechoslovakian consumer products, it was opened in 1981.

exports of chemical consumer industry products, fertilizers, rubber, synthetic fibers, food, industrial consumer products (household appliance, music and record players, TV sets).

Continuing trend of pre-Andropov period of fuel for machines based principle in the bilateral trade is explained not only by continuing (in Andropov's era) industrialization process which stimulated mutual exchange in these sectors, but also their rising importance for the Czechoslovakia as its medium of payment for Soviet imports of fuel and raw materials.⁴¹

Thereby, the deliveries of the Soviet fuel and raw materials occupied the most important role. The Soviet Union satisfied the larger part of Czechoslovakia's import needs; Soviet deliveries of raw materials and semi-finished goods satisfied more than half of its demand, in particular (1983):⁴² oil (93 %), iron ore (83 %), natural gas (100 %), asbestos (76 %), black coal (69 %), black rolled metal (100 %), cast iron (94 %), manganese ore (100 %), cotton (69 %). The Soviet Union was the supplier of many embargoed raw materials such as chrome, copper, nickel, aluminum, sulfuric acid and others. The fuels (in nominal prices) composed 72 % of Soviet exports to the CSSR in 1984; to secure stable and low-cost fuel, energy and raw materials deliveries Czechoslovakia took part in investment ventures on the Soviet territory, not only in the energy sector.

The most common case of this type of cooperation was participation on projects of oil and gas pipeline construction, for example gas pipeline Soyuz built in the years 1978-1982. This pipeline transported gas from Orenburg region to six Comecon countries: according to plan the second longest section from Volgograd to Russian borders was constructed and financed by Czechoslovakia (2000 Czechoslovakian specialists took part in project); participation in this project ensured the deliveries of 2.8 billions m³ of gas each year.⁴³ After the Soyuz pipeline, Czechoslovakia (together with other Comecon countries) participated in the Urengoj-Uzh-

41) Sharpened by the growing prices of oil and other raw materials in the second half of 1970's and in the 1980's after two oil shocks, which hit the socialist system with a couple of years delay thanks to the running average price system in the Comecon trade.

42) Data from Vneshnyaya torgovlya Sovetskogo Sojuza v 1989 godu, Gosstat, Moscow, 1989 and Statistická ročenka 1989, CSU, Prague 1990.

43) Economics' department of the State Archive of the Russian Federation, fund 302, inventory 2, signature 302/2/V, unit 1956, p. 41.

gorod pipeline and maintenance complex construction for the transit pipeline in Uzhgorod.

Investment ventures to satisfy energy demand were applied in other sectors as well. Very active Soviet-Czechoslovak cooperation developed in atomic energy sphere (the construction of nuclear power station in Chmelnice and later in Temelín).⁴⁴ Czechoslovakia participated on the creation of the world's biggest electro energy system Mir (connected Comecon countries energy systems).

Soviet fuels and raw materials were also imported in exchange for the participation of Czechoslovakia in construction of mining and processing capacities: deliveries of iron ore were secured by funding of ore mining in Kursk and Donetsk region. In accordance with the agreement from October 1983 Czechoslovakia (along with GDR and Romania) participated in building the Krivoj Rog plant meant for mining and enrichment of iron and magnesium ore.⁴⁵

Deliveries of other raw materials were secured by financial and technical participation in investment projects on the Soviet territory, such as production of ferroalloy (in Ukraine and Kazakhstan), mining of asbestos (in Orenburg region), production of cellulose (in Irkutsk region), fodder yeast (in Ukraine), ammophos (construction of "Fosforit" plant in Estonia), mining of ironstone shale (Kimbaevsk plant for processing of ferroalloys).⁴⁶

The need to secure the Soviet deliveries of minerals favored the development of bilateral and multilateral socialist cooperation in energy sector. Andropov's „administration“, although followed old tradition, was trying to extend the range of projects in this sector; effectively this policy led to deeper and closer integration of particular economies.

Czechoslovak deliveries of machines and equipment occupied equally important place in CSSR's exports, as fuel exports for USSR.

Czechoslovak-Soviet machines and equipment trade in 1985 (million Czechoslovak crowns)

subsector	Export	Import
Investment unit, complete industrial plant	6899	833
Energy machines	889	1150
Machines for heavy industry	5822	1227
Machines for processing industries	8626	434
Machines for agriculture, trade and services	1786	602
Transport vehicles for production needs	10280	335
Transport vehicles for personal needs	1108	827
Fine mechanics and optics goods for production needs	1307	188
Fine mechanics goods for personal needs	59	115
Indicators, gauges and tools	65	74
Overall	38840	5786

Source: B. A. SHMELEV, *Centralno-Vostochnaja Evropa vo vtoroi polovine XX.veka*, vol. 2, Moscow 2002, p. 79.

The leading subsectors of machines and equipment exports' industry were transport vehicles, complete industrial plant units and heavy-industry machines, and its growing meaning for satisfaction of the CSSR's and the Soviet economy extensive growth pressed for increase in its production.

This brings us to one of the most important features of Andropov's 1982-1984 period cooperation, which is the Soviet increased emphasize of the Program of socialist intrasectoral division of labor application, which was applied in order to increase mutual trade, especially in processing and machinery industries.

On the base of the Table of Czechoslovak-Soviet trade with machines and equipment in 1985, we can analyze the influence of the Program on machinery industry trade structure. The signs of achieving certain degree of intrasectoral division of labor are noticeable for example in energy machinery subsector (Czechoslovakia exported cylinder engines and energy equipment for power stations, imported equipment for nuclear plants), transport vehicles for personal needs subsector (CSSR's exports were composed of motorcycles, Soviet cars were imported), and fine mechanics and optics goods subsector.

44) National Archive, Central Committee archive fund (1984), signature P111/84, unit 6957, p. 5.

45) Czechoslovakian specialists constructed the hall of magnetic separation and its material equipment.

46) Economics' department of the State Archive of the Russian Federation, fund 2, inventory 1, signature 413/32/2, unit 1601, p. 5.

The same data for trade with chemical industry products can be found in:

**The 1984 Soviet-Czechoslovak chemical industry items trade
(million Czechoslovak Crowns)**

Subsector	Export	Import
Chemical raw materials mining	0	185
Basic chemistry	1502	2220
Chemical production	382	30
Pharmaceutics production	758	130
Rubber-asbestos products	345	42
Synthetic fiber and plastic materials	352	216
Oil-refined products	49	1066
Overall	2941	3896

Source: B. A. SHMELEV, *Centralno-Vostochnaja Evropa vo vtoroi polovine XX.veka*, vol. 2, Moscow 2002, p. 80.

Chemical industry is mostly mentioned as the example of the best application of division labor principle in Soviet-Czechoslovak trade. It was the result of 1983 Agreement on specialization application in production of energy intensive and less-energy intensive articles. In compliance with this agreement the Soviet Union increased exports of high-pressure polyethylene, methanol, nitrogen fertilizers, and synthetic rubber; Czechoslovakia exported chemical reagents, chemical additives, and paint and varnish industry products. The most developed degree of intrasectoral cooperation is evident in synthetic fibers and plastic materials subsector, basic chemistry subsector.

Next table accounts the general effects of application of the Program in the rest of economic sector of the USSR-CSSR trade.

**Rate of changes in intrasectoral Soviet-Czechoslovakian trade
(million Czechoslovak crowns)**

Sector	Year	Import	Export	Balance	Share in	Share in
					overall	overall
					imports	exports
Agriculture	1981	31	217	+186	0,066	0,513
	1985	37	198	+161	0,054	0,310
Fuels	1981	26867	32	-26835	57,9	0,075

	1985	46518	21	-46947	66,8	0,033
Energy sector	1981	651	126	-524	1,4	0,299
	1985	1387	152	-1235	2,0	0,238
Ferrous metallurgy	1981	4301	2290	-2011	9,4	5,4
	1985	4479	2294	-2184	6,5	3,6
Nonferrous metallurgy	1981	2125	3	-2122	4,6	0,007
	1985	2470	81	-2388	3,5	0,127
Chemical and rubber industry	1981	3123	2215	-907	7,1	5,2
	1985	3896	2941	-954	5,7	4,6
Machinery	1981	4549	23349	+18930	9,9	55,3
	1985	5799	36661	+31054	8,3	57,5
Electrotechnical sector	1981	1221	2709	+1488	2,7	6,4
	1985	1522	4672	+3150	2,2	7,3
Building materials industry	1981	131	279	+149	0,289	0,662
	1985	134	625	+491	0,192	0,980
Wood-processing industry	1981	257	938	+681	0,554	2,2
	1985	251	1536	+1285	0,360	2,4
Metalworking industry	1981	228	412	+184	0,974	0,491
	1985	293	819	+526	1,3	0,420
Paper, cellulose	1981	506	35	-471	1,091	0,083
	1985	599	60	-539	0,861	0,093
Glassware and stoneware industry	1981	35	814	+778	0,076	1,926
	1985	53	906	+853	0,076	1,421
Textile industry	1981	893	1545	+652	1,925	3,657
	1985	1167	1550	+1383	1,675	4,001
Ready-made industry	1981	0,95	1466	+1466	0	3,5
	1985	0	2220	+2220	0	3,5
Printing industry	1981	55	74	+19	0,117	1,158
	1985	57	172	+114	0,082	0,256
Food-processing industry	1981	475	685	+210	1,030	1,617
	1985	485	1287	+801	0,698	2,014
Other industrial products	1981	485	305	-179	1,044	0,722
	1985	176	425	+249	0,253	0,666
Building production	1981	35	819	+784	0,074	1,934
	1985	9	1747	+1738	0,015	2,719
Overall	1981	46118	42429	-3689	100,0	100,0
	1985	69440	63157	-5483	100,0	100,0

Source: Interní statistický materiál FMZO - Praha, 1986.

Table data clearly demonstrates limited effects the mentioned Program had on the CSSR-USSR trade; the majority of trade was executed in the framework of intersectoral exchange, except chemical and partly machinery industry, which led to stagnation and extensive-style growth of existing structure of bilateral cooperation and trade.

Tables' content proves the inability of Czechoslovak and Soviet planners to develop deeper socialist integration in intrasectoral division of labor. Its character in machinery industry shows that Czechoslovakian economy continued processing of increasingly expensive raw materials transported on long distances, producing standard old-style machines and equipment, competitive only in socialist Bloc; at the same time prices, achieved by selling it on the world market decreased⁴⁷. The analysis of trade structure confirms that trade pattern of fuels and raw materials for machinery production still dominated the trade of Czechoslovakia and the Soviet Union in the 1982-1984 Andropov's period.

We now turn our attention to other spheres of bilateral cooperation. It is necessary to take a closer look at the Soviet-Czechoslovak cooperation in other areas, such as specialization agreements, which were widely used in the first half of the 1980's, then scientific-technological cooperation, and joint investment construction projects.

Generally, the bilateral specialization and cooperation agreements were mainly applied to the areas, where the Soviet bloc's countries lagged behind the West, let's only mention some of them: Soviet-Czechoslovak cooperation agreement on development of machinery tools, automation engineering tools, industrial robots and manipulators, creation of unified components base of electrotechnical articles, computers, industrial cooperation on development and production of equipment for metallurgy and agriculture machinery, establishment of complementary production of electrotechnical, filling, compressing and cooling equipment, construction of rail-borne vehicles and ships, already mentioned agreement on chemical industry specialization⁴⁸.

Although the efforts to reach progress in particular sectors were large, anticipated results in compare to targets didn't eventually arrive. The analysis of particular agreements⁴⁹ may explain why the outcome lagged behind high expectations of the Soviet and Czechoslovak planners:

- the first reason is superiority of specialization side of cooperation, emphasize of parallel, co-productive elements production in spite of complementary elements; weakly developed node and spare parts specialization; thereby never reached satisfactory level of intrasectoral cooperation;
- secondly, producers' lacked material incentives for participation in process of establishing closer specialization and co-operational links, for exchange of knowledge and know-how with opposite side;
- at last, inability to improve quality and technological level of cooperated production, especially machinery industry production (low share of new products in bilateral trade) caused by complicated organizational structure, which supplied connection between particular plants and research workplaces.

The highest party officials and planners knew the reasons and actual state of cooperation. Andropov was acquainted with the actual state of relations with the satellites. The reaction to these problems was creation of another bureaucratic bodies, namely Intergovernmental committee on economic cooperation⁵⁰ in December 1982, which tackled the problems by new directives, i.e. extended control of agreements implementation, exchange of specialists, establishment of new links at the governmental military ministries' level (the decentralization process was never considered an option).

The scientific-technological cooperation (STC) of the USSR and CSSR was, on the other side, one of the more intensive and developed sectors of bilateral relations. Well-founded and intense character of relations in this sector is confirmed by high number of patents registered by the Czechoslovakia and the USSR in the first half of 1980's.

The new base for cooperation in Andropov's period was defined by the Concept⁵¹ of scientific-technological cooperation till year 2000 and Program for further development and increase of effectiveness of cooperation between the CSSR and the USSR in priority areas of research and development⁵² adopted in December 1982. The institutional base for this sector of cooperation was also provided by a number of further agreements, directed

47) For further details see table East European economies: slow growth in the 1980's, p 41.

48) National Archive, Central Committee archive fund (1985), signature P131/85, unit 8601, p.10.

49) In particular, agreements on cooperation in heavy and machinery industries, as leading and prioritized branches.

50) In Czech: Mezivládní československo-sovětská komise pro hospodářskou a vědeckotechnickou spolupráci.

51) Koncepciya nauchno-technicheskogo sotrudnichestva do 2000 goda.

52) Program called Mery po dalneishemu razvitiyu a povysheniyu effektivnosti sotrudnichestva CHSSR i SSSR v prioritnykh oblastyakh nauki i tehniki.

at the areas, such as economic and rational use of fuels and raw materials, protection of environment, development of automatic robots and manipulators for different economic branches, chemicalization and biochemicalization of agricultural production etc.

18 priority areas of cooperation (subprograms) were set according to the Program and Concept of cooperation till year 2000. Let's now take a closer look at the level and results of bilateral cooperation of two countries in defined period. The more successful are examples of STC priority tasks' realization (1982-1985)⁵³ in:

- cooperation on creation of robots and manipulators for processing terminals and welding plant maintenance, for junction welding, installation operations, and foundry under pressure processes (the production of these robots was carried out on the Czechoslovak factories);
- spindle winding machine technology and BDA-14 automatic weaving loom;
- continuous cast technology;
- creation and production of low-tonnage chemical articles⁵⁴;
- vulcanization acceleration technology developed in the CSSR and applied in the Soviet service sector;
- creation of drift miner complex used for tunnel building in the Soviet Union;
- creation and use of robots serving the needs of factories and processes of electrotechnical industry, development of electronic devices.

Czechoslovakia had primary role in light industry sector; one of the most successful examples of cooperation between the Soviet and Czechoslovak scientists was the creation of spinning machine BD (produced in the CSSR),⁵⁵ in accordance with the 1983 Agreement, Czechoslovakia participated on the light industry factories modernization: Erevan tannery, Voroshilovgrad shoe factory, Vladimir leather factory, Moscow "Burevestnik" factory, or Narva leather factory (its alone satisfied 12% of the Soviet need in leather) were completely re-built or modernized by Czechoslovakian specialists, or equipped by Czechoslovakian equipment.

53) National Archive, Central Committee archive fund (1984), signature P101/84, unit 6103, p. 20.

54) This particular program was exclusively financed by the International investment bank - a unique form of research support in the Socialist bloc.

55) 20 % of the Soviet clothing industry factories were equipped with this machine.

In chemical consumer industry in accordance with the Agreement on scientific-technological cooperation for the creation of new chemical consumer products, the Comecon production lines for the production of washing and cleaning agents were installed on „Rakona“ factory in Czechoslovakia and „Litbytchim“ factory in Volgograd. In cooperation with Czechoslovak enterprise "Spolana" the Uzhgorod and Simferopol chemical plants were equipped with new conveyors. "Sojuzbytchim" and the Czechoslovak fat industry factories cooperated on construction of Brezhnev (Naberezhnye Chelny) factory on production of goods for industrial needs of the Soviet economy.

Under the agreements on scientific-technological documentation exchange (1985 data),⁵⁶ Czechoslovakia transferred more than 200 projects of industrial plants and factories construction: Dmitrov beer producing plant, Saransk sugar processing factory, Bednodemyanovsk dairy factory etc. Rubber plant in Kralupy-na-Vltavě, synthetic fiber production plant in Humen, peniciline factory Slovenska Lupcha, sulfuric acid production line on „Slovnaft“ plant in Bratislava etc., were built in accordance with the Soviet projects during the same period (more than 300 transferred design-driven documents).

The rising number of theoretical inventions and technological methods and procedures didn't though find enough application in real economy, nor did it elevate industrial technological level or consumer production quality. The comparison of content of STC and accomplished results offered for practical adoption of new technologies indicates the missing link in socialist economy, which led to gradual lagging behind the Western world (commonly considered to be around 30 to 40 years).⁵⁷ STC tasks were deprived of tools for successive transfer from development to production; the results of joint research efforts rarely became the subject of international specialization and cooperation, the export articles in bilateral trade or with third countries; the reasons for that were multiple:

- evident isolation between R&D planning and production planning, lack of research and specialization interconnection;

56) Economics' department of the State Archive of the Russian Federation, fund 2, inventory 1, signature 413/32/2, unit 1602, p. 3.

57) Officially admitted level of backwardness by the CPSU, in: Economics' department of the State Archive of the Russian Federation, fund 302, inventory 2, signature 302/2/V, unit 1981, p. 5.

- clear inequality of R&D results transfer between the Soviet Union and the CSSR (only 16 % of Czechoslovakian patents were transferred to the USSR through foreign-trade organization, i.e. was paid for);
- long-lasting development and production preparations, moral and technological obsolescence in the sales' phase;
- lack of incentives from research institutions to innovate in consequence of equalitarian rewards system of the institutions and its employees;
- low-level specialization, multiproduct production (CSSR produced 90 % of machinery industry goods), thereby inability to sustain high level of competitiveness of all articles;
- insufficient level of coordination of bilateral R&D cooperation, i.e. duplication of research projects by same-branch institutions and organizations;
- uncoordinated purchases of licenses and patents from third countries led to ineffective and excessive expenditures;
- insufficient producers demand, i.e. absence of external incentives in consequence of inexistent income motive for innovation;
- weak dependence of R&D institutions on success of research projects implementation and stability of consumers' demand for new product.

Due to this reasons, the share of science intensive production in bilateral trade was gradually decreasing: for example, in 1984 it occupied only 5 % of the Soviet exports to the CSSR, and 12 % in other direction⁵⁸. During the first half of the 1980's this number steadily decreased, the technological level of the Soviet and Czechoslovak productive base stagnated⁵⁹. To understand the quality of goods produced in two countries in compare with the world market level we need to take a look at the kg/price index of westward exported goods: in 1970 kg/price of machinery production (primary export article) made up 40 to 50 % of the world level, in 1980 30 to 35 %, less than 25 % in 1984.⁶⁰

In spite of high intensity of joint investment construction during analyzed period, its content and problems were no different in compare with other areas of bilateral cooperation: emphasis on securing primary production commodities - fuels, energy and raw materials (due to high investment

intensity of these branches, irregular dislocation of mining facilities and persisting economic growth based on extensive factors), weak growth of processing industries' facilities construction (therefore, slowdown of scientific-technological progress), neglect in application of environmentally friendly technologies in joint projects.

Conclusion

Jury Andropov came to power in November 1982, on the verge of stagnation-zastoi period. His reign is widely perceived only as the transitional period from Brezhnev to Gorbachev, neglecting the fact that his brief power spell strongly influenced the country, and people's mind. His politics inspired the next generation of communists to begin changing process after 1985 in the framework of Perestroika reforms. Andropov was typical representative of the Soviet system; he participated on its formation in Brezhnev era as the KGB Director. Although he was not going to undermine the power and social basis of communist power (and never aspired to do that), Andropov's reforms eventually changed the style and nature of country's management.

Andropov's "version" of Perestroika, in its essence, was an attempt of people devoted to command Soviet system, to achieve its sterility. In reality, it only confirmed the assertion that it could effectively function and evolve only under totalitarian terror, or through corruption. Andropov's personal popularity and endorsement of Andropov-style reforms are typical also for modern Russia; wider population support was based on the following factors: his resolute authoritative style of government, fight against corrupt officials, modesty in personal life, non-infringement on foundations of system's principles, reinforcement of defense structures, emphasis on establishment of discipline and order in population everyday life. After the dissipation of Brezhnev years, and unlimited power of the ruling top nomenclature, the Andropov's actions oriented at its limitation were endorsed by majority of ordinary Soviet citizens.

His success was closely connected to relative economic progress associated with the politics of establishment of order and discipline in the first months of his government. The centrally planned economy once again proved to be viable in extreme conditions and all-round mobilization. Once, the effect of a new leader and government wearied off, the growth rate returned to "normalcy", economic stagnation in consumer sectors re-established in the Soviet Union (although military-oriented sectors experienced slow

58) SSSR-CHSSR: nauchno-proizvodstvennaya integraciya i intensifikaciya, Sbornik statei, Moscow, 1989.

59) National Archive, Central Committee archive fund (1984), signature P110/84, unit 6836, p. 7.

60) B. A. SHMELEV, *Centralno-Vostochnaja Evropa vo vtoroi polovine XX.veka*, vol. 2, Moscow 2002, p. 202.

growth explained by renewed arms race in 1983-1985). The economic reforms ("economic experiment", limited decentralization, modified agricultural policy, new legislation) were not applied properly and thoroughly; partial economic indicators' improvement was caused mainly by another mobilization of population (for example, the control over employees' presence at the working place was exercised by local KGB organization).

Actual reasons of slow-down of economic growth, such as low adaptability of economy to ongoing changes on the world market, persistence of backward industrial structure, low labor productivity and quality of goods, inconsistent realization of planned adjustment of economic mechanism, resistance to changes of the high-ranked nomenclature were tackled by the old administrative measures. Ideological limitations of Andropov did not allow him to enforce or attempt to reorganize the economic structure. Another reason, apart from unfavorable development on the world market, was low efficiency of the planning mechanism in centrally administered economy. It emerged and formed under the different conditions, thereby was not capable of natural evolution to the intensive type of economic growth.

Due to the fact Andropov's reforms represented certain modification of predecessors' policies, the Czechoslovak-Soviet relations developed in accordance with past economic trends. The new General Secretary policy did not substantially change the pattern of articles exchange. As it was showed in the second part of the paper, the growth of volume of trade was caused by changed terms of trade and increase of commodities' prices, not by its growing intensity or rise of technological level of goods.

The analysis of the development of bilateral cooperation confirms the continuation of former trend and exchange principle in the Soviet-Czechoslovak trade "fuels, energy and raw materials for machinery production and consumer products". The character of wide joint investment activity registered in the first half of the 1980's, including Andropov years, aimed at development of cooperation primarily in mining sector in the USSR and machinery and chemical sectors in the CSSR; it has further strengthened the principle of commodities for machines exchange.

In the period from 1982 to 1984 the attempts were made to intensify and extend the borders of mutual cooperation by accepting new programs of scientific-technological cooperation. Although there are examples of successful bilateral projects, the majority of inventions or innovative methods were never actually applied; explanation of the missing link in the socialist economies between theoretical research and finished product (mentioned in the part devoted to R&D cooperation) describe the obsolescence

of technologies and quality of goods produced in the USSR, the CSSR and other Eastern bloc countries.

Although, Andropov new political views and modified economic policy didn't bring the revolutionary changes to the Soviet Union's or satellites' life, it created conditions under which the entry of new political representation to the scene in the USSR was made possible. New garniture of the Soviet reformers led by Mikhail Gorbachev drew inspiration in Andropov's public appearances style, self-confidence and self-assertion in Party's hierarchy. Andropov new approach to the ordinary Soviet people welfare, his own modesty, disregard for Brezhnev's era ideals, and exposure of living style of the top nomenclature can be considered as his greatest achievements. In order to buttress the political role of the Party, he unwittingly changed the Soviet politics and its socialist economic principles, which led to crumbling of the Soviet system and the whole Soviet Union during the following dramatic historical period.