

# The Hazards of Half-measures: Perestroika and the Failure of Post-Soviet Democratization

M. STEVEN FISH

**Abstract:** Perestroika was the most dramatic chapter in the political history of the world in the late twentieth century. Yet, it did not fulfill what was arguably its loftiest promise—to lay firm foundations for lasting popular rule in Russia. The failure of democratization in post-Soviet Russia may be traced in part to two fateful shortcomings in perestroika: the tepidity of Gorbachev’s economic reforms and Gorbachev’s failure to empower popularly elected legislatures.

**Key words:** democracy, democratization, economic reform, liberalization, national legislature, perestroika

**P**erestroika was the most dramatic chapter in the political history of the world in the late twentieth century. For citizens of the USSR, it brought both hope and trauma. For the rest of the world, it provided liberation from the scourge of the cold war’s apocalyptic endgame scenario, which had defined international relations for four decades.

Despite its momentousness, however, perestroika did not fulfill what was arguably its loftiest promise: to lay firm foundations for lasting popular rule in Russia. Mikhail Gorbachev may not have intended his reforms to lead to democracy, but by the time the Soviet regime unraveled in late 1991, democratization is what perestroika had brought about. At the dawn of the post-Soviet era, the three Baltic states had already forged open polities. Russia, Ukraine, Belarus, Kyrgyzstan, Georgia, Armenia, and Moldova had experienced significant democratization as well. Yet, in the ensuing decade, Russia, among other post-Soviet countries, underwent a powerful political reversal.

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In the early and mid-1990s, elections in Russia were raucous affairs. They were never entirely clean, but they were competitive. Political parties operated freely. The media were animated and diverse, and they pummeled the powerful.

Today, most elections have become charades, choreographed by officeholders who obtain their desired outcome through falsification, intimidation, and manipulation. Most parties and other organizations have withered under official pressure or been taken over by the state. Independent media have been hushed.

Some of the explanation for Russia's return to authoritarianism is found in developments of the post-Soviet period and in structural factors that the architects of perestroika could not possibly have altered. Yet, the failure of democratization in post-Soviet Russia may be traced in part to two fateful shortcomings in perestroika. The first was the tepidity of Gorbachev's economic reforms. The second was Gorbachev's failure to empower popularly elected legislatures, even as he touted the bodies as the vanguard of his reforms.

### **The Economics of Perestroika**

#### **Economic Reform: Some Changes, but Little Market Creation**

Gorbachev did undertake initiatives in economic policy that were bold by Soviet standards, but he bequeathed to post-Soviet leaders an economy that lacked even the rudiments of a market system.

Gorbachev carried out three major economic reforms. The first was a revocation of the ban on private enterprise. The measure stimulated the emergence of "cooperatives," or small-scale private enterprises. Some cooperatives were cottage industries that had previously operated on the black market. Others were new enterprises that emerged in small-scale retail, trade, or production. Still others were pockets of private production established within state enterprises by managers who set aside a portion of the material inputs they received and labor they controlled to produce for profit. The second reform was a new law on joint ventures that ended the traditional Soviet ban on foreign investment. The third reform was the "law on state enterprises," which provided for what were dubbed self-management and self-financing.

Gorbachev unveiled these reforms with fanfare. Yet, he failed to put teeth in the policy changes and, to the extent that he did pursue his reforms, he was unable to overcome the entrenched bureaucratic apparatus that was jealous of his prerogatives. The law on private enterprise opened the door a crack to private production, retail, and service provision, but included no measures to promote or protect new private businesses. Some underground activity surfaced and some new businesses emerged, but arbitrary regulation, predation by officials, the absence of protection for property rights, and the difficulties of sourcing inputs hobbled the cooperatives.

Moreover, the reform begat a private sector partnered with officialdom. After legalizing the cooperatives, Gorbachev decentralized regulatory authority over them. The measure looked progressive, but in reality it put the new businesses at the mercy of local officials who were rarely enthusiastic about the growth of a competitive private sector in their bailiwicks. Some conservative officials

despised private enterprise and simply suppressed the cooperatives. Many more officials were not deeply wedded to socialist ideology and did not mind private enterprise in their domains—provided that it furnished some benefits. Indeed, many officials sought mutually profitable “business relationships” with the new entrepreneurs. Officials often shut down the competitors of their chosen “partners” to help them and increase the rents that the officials themselves collected. Given the politicization and competition-restricting consequences of such practices, what emerged over most of Soviet territory during the late Gorbachev period was more of a racket economy than a protomarket economy.<sup>1</sup>

The law on joint ventures made a similarly miniscule contribution to market formation. Although the law made it possible to invest in the Soviet Union, foreign businesses were required to enter the country with a Soviet partner (in practice, a government agency). Severe restrictions on repatriating profits further reduced the attractiveness of the Soviet Union to would-be investors. The near impossibility of sourcing inputs in the Soviet Union or of freely selling output there provided the coup de grâce. Despite Soviet leaders’ expectations, only a trickle of foreign investment entered the country.

It might be unfair to blame Gorbachev and his colleagues for being overly optimistic about foreign investment. They looked upon the Chinese experience as proof that a socialist economy could entice foreign investors. But they failed to understand that China offered an enormous advantage for investors from Hong Kong and Taiwan who were eager to enter China from the dawn of reforms. So, too, did Soviet leaders fail to fathom the depth of Chinese leaders’ commitment to prosperity—even at the cost of “socialist” principles and operating procedures. Deng Xiaoping was firmly intent upon granting foreign capital ample opportunity to maneuver, multiply, and exploit China’s low labor costs. His long-term leases of land created *de facto* private ownership in the largest sector of the country’s economy. Although Gorbachev is rightly regarded as more of a democrat than Deng, he was a romantic Leninist compared with Deng in economics. Under Deng, China rapidly eliminated incentive blockages for investors and created markets to attract them, especially in the agricultural sector. Given the largely agrarian character of the Chinese economy, the relatively short duration of collectivization, and the promise of rapid capital accumulation from reform, Deng enjoyed incentives for liberalizing land tenure rules that Gorbachev did not.<sup>2</sup> In any case, Gorbachev could not imagine private ownership or control of land in the Soviet Union. Although he professed to favor “diversity” of forms of ownership, he regarded the collective farms that dominated Soviet agriculture as sacrosanct. Just as Gorbachev could not contemplate the decollectivization of agriculture, he did not grasp how inhospitable the Soviet Union was to investors, foreign or domestic, in the absence of measures such as the privatization of land ownership or control.

The law on state enterprises represented another example of decent intentions coupled with inadequate means. The law was intended to induce state enterprises to operate the way businesses do in a market economy, meaning that the enterprises would balance their books, wean themselves from dependence on state sub-

sidies, and operate in the black. But while telling enterprise managers to act like capitalists, the government gave them none of the tools or rights they needed to do so. Consequently, despite Gorbachev's exhortations, the law had scant effect on the way enterprises operated.

The main thing that prevented enterprise managers from developing an interest in acting like capitalists was the government's unwillingness to allow free price formation. What passed as "price reforms" in the Gorbachev period were clumsy, state-mandated hikes in official prices, not price liberalization. In the absence of free price formation, enterprise directors enjoyed little profit motive; nor did they have the information about consumer demand that market prices would have provided. A market economy could not emerge under such conditions.

The failure of the law on state enterprises to change the behavior of enterprises was compounded by the absence of policy reform that would have enabled enterprise directors to hire and dismiss employees. In the realm of employment as well as price formation, planning directives reigned supreme.

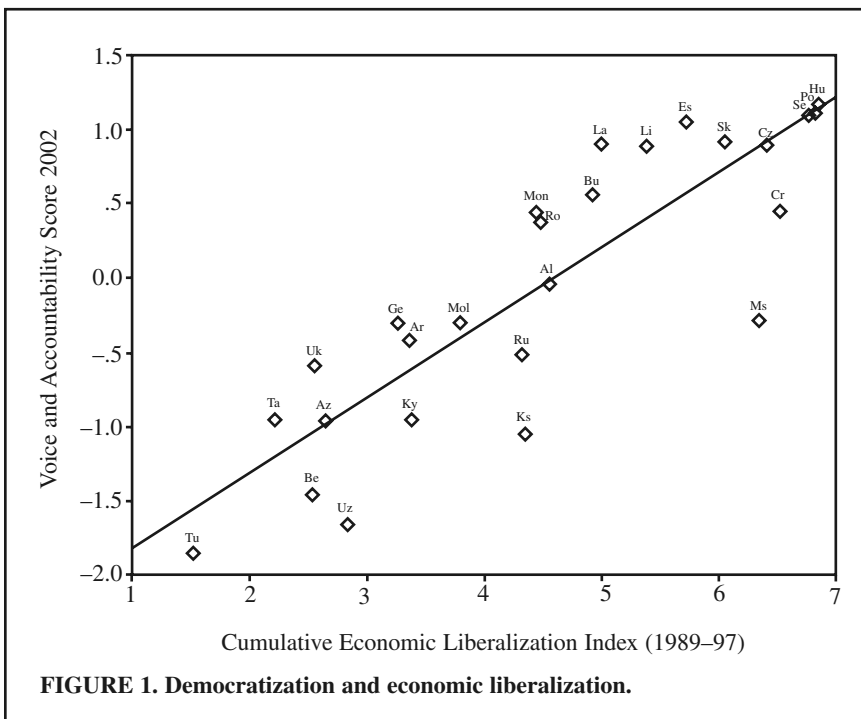
In sum, the economic reforms of the perestroika period were inadequate to create the rudiments of a market economy. Gorbachev was unwilling to abandon the essentials of the command-and-administer system, including the predominance of state ownership and state control of prices, employment, and investment decisions.

The bloodlessness of Gorbachev's economic reforms did not predetermine the course of economic policy change in the post-Soviet period. But it did get economic transformation off to an inauspicious start. It left post-Soviet economies less prepared for and amenable to rapid liberalization and destatization than they would have been had Gorbachev initiated reforms that created markets.

Post-perestroika economic reform in Russia indeed proved to be arduous and difficult to sustain. Although the post-Soviet period began with sweeping price liberalization carried out by President Boris Yeltsin and his acting prime minister, Egor Gaidar, the period of liberal ascendancy was very shortlived. By late 1992 Gaidar was gone and the bracing liberalism of his early months in office had yielded to policies better characterized as "gradualism" than as the "shock therapy" that many observers call Russia's post-Soviet economic reforms.<sup>3</sup> But such an image finds little support in reality. In the Cumulative Economic Liberalization Index devised by Martha De Melo and colleagues to assess the pace of economic policy change in postcommunist countries during 1989–97, Russia scored sixteenth of twenty-six countries, slightly lower than Kazakhstan and a bit higher than Moldova.<sup>4</sup> In the most recent data for the Summary Economic Freedom Ratings issued annually by the Fraser Institute, Russia ranked fourteenth of the fourteen postcommunist countries included in the survey. Of the 123 countries for which the survey generated data, Russia ranked 114th, behind Syria, Nepal, and Pakistan.<sup>5</sup> In the most recent Economic Freedom Indices put out by a team of economists sponsored by the Heritage Foundation and the *Wall Street Journal*, Russia ranked twenty-first of twenty-seven postcommunist countries and 124th of 155 countries included in the survey.<sup>6</sup> As these comparative data suggest, economic policy in Russia has been marked by enduring statism rather than the radical neoliberalism that many observers have thought they detected.

### The Consequences for Democracy of Tepid Economic Reform

The consequences of economic statism for democratization have been grim. Despite the claims of neoliberalism's opponents, rapid economic liberalization has been a close ally, rather than an antagonist, of political opening in the post-communist region. With law-like regularity, more rapid and thoroughgoing economic reform has been associated with more extensive democratization. Generally speaking, the countries of Eastern Europe, the Baltic states of the former USSR, and Mongolia undertook greater economic liberalization at the end of the 1980s and throughout the 1990s than did the countries of the former Soviet Union (minus the Baltic states). Factors besides economic liberalization have affected political regime change. In quantitative analysis, however, even when one controls for other relevant factors, economic liberalization is a substantively and statistically significant predictor of democratization.<sup>7</sup> Figure 1 provides a simple schematic representation of the relationship. Here, the extent of democratization is measured as the Voice and Accountability Scores issued for 2002 by Daniel Kaufmann and colleagues in their Governance Matters dataset. Scores range from -2.5 to +2.5, with higher scores standing for more open and accountable government.<sup>8</sup> Economic liberalization is measured by De Melo and colleagues' Cumulative Economic Liberalization Index, which gauges the extent of liberalization between 1989 and 1997. Greater liberalization in the late 1980s through the mid-1990s is closely associated with greater political openness in the current



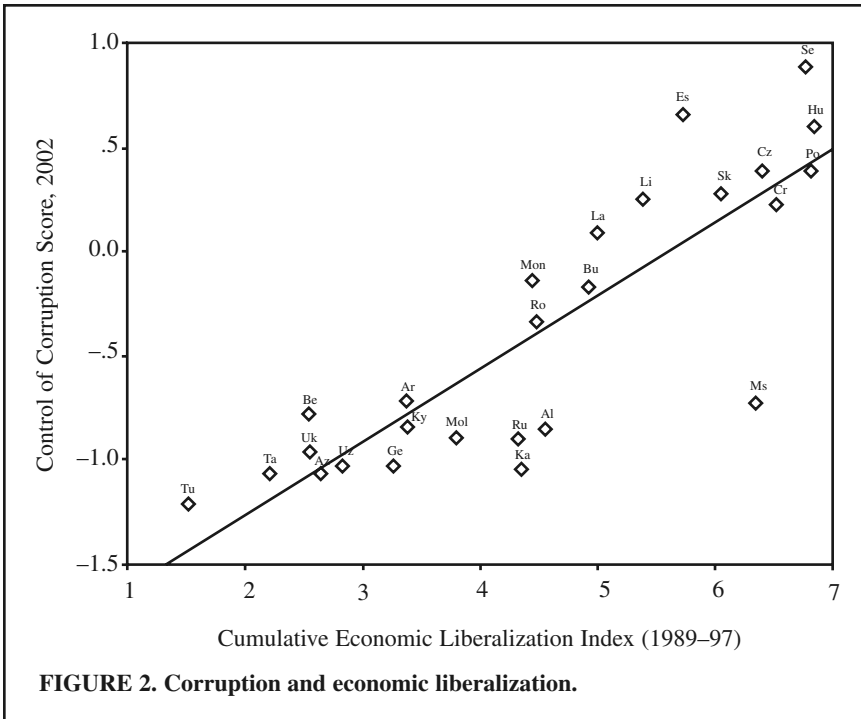
decade. The correlation represented in the figure is high ( $r = .86$ ). There are no outliers, and Russia's level of political openness is roughly what one would expect it to be given its prior history of economic liberalization.

How has economic liberalization influenced democratization? The causal mechanisms may be complex, but several generalizations are possible. First, more liberalization has produced greater pluralization of property relations, which in turn has fostered richer civil societies and greater opportunities for the emergence of autonomous organizations, including oppositions. In countries in which economic reform was relatively rapid and extensive, such as Slovakia and Mongolia, relatively strong independent associations and political parties emerged. In Russia and other countries where economic liberalization was sharply circumscribed, autonomous organizations have been diminutive and frail. They usually have been incapable of standing up to government highhandedness and have failed to form a bulwark against reversion to authoritarianism.<sup>9</sup>

Second, more extensive economic liberalization has checked the growth of corruption. Shrinking the reliance of enterprises and individuals on the state for the money, goods, credit access, licenses, and permits needed to survive reduced officials' rent-seeking opportunities. Less economic statism thereby diminished bribery. Lower corruption, in turn, enhanced the effectiveness and accountability of government, thereby bolstering public support for open politics and reducing the appeal of politicians who promise to eliminate graft.

The empirical evidence shows that countries in which economic liberalization was more extensive have indeed developed less severe corruption problems. Corruption may be measured using Daniel Kaufmann and colleagues' Control of Corruption scores for 2002 from the Governance Matters dataset.<sup>10</sup> Higher scores stand for less corruption. To measure economic liberalization, I again use the De Melo and colleagues' Cumulative Economic Liberalization Index. Figure 2 illustrates the relationship between economic liberalization in the late 1980s through the mid-1990s and level of corruption early in the current decade. Greater economic liberalization is associated with less severe corruption. The correlation is high ( $r = .85$ ). Level of corruption, of course, is known to depend strongly on level of development. Corruption is less severe in richer countries than in poorer ones. Even controlling for wealth in multiple regressions, however, economic reform is a robust, statistically significant predictor of corruption.<sup>11</sup>

How, then, has corruption counteracted democratization? One obvious way is that it enraged electorates and softened them up for the appeals of authoritarian or potentially authoritarian politicians who promised to stamp out graft by any means necessary. Aleksandr Lukashenko, the gravedigger of Belarus's short-lived experiment with open politics, was elected president of Belarus in 1994 on his promise to punish officials who used public office for private gain. Much the same may be said of Vladimir Putin's election to the presidency of Russia six years later. Putin's image as a stern disciplinarian was his greatest source of appeal. Indeed, he offered little else at the time of his election in 2000. Putin was the choice of an electorate that felt battered by high-level sleaze and that desired justice. Whether corruption has actually declined on Putin's watch is doubtful. But



there is no question that the use of public office for personal gain has become less ostentatious than it was during the Yeltsin period. Putin's most popular measures in office, moreover, have been his flamboyant attacks on corruption. These cases bear more than a faint resemblance to the rise and rule of Hugo Chavez. In Venezuela, as in Belarus and Russia, there was a figure who came to power by virtue of his professed opposition to a corrupt elite and proceeded both to shake up that elite and to dismantle democratic institutions.<sup>12</sup>

Popular outrage with corruption has not always led electorates to behave in a manner inconsistent with democratization. Bulgarians weary of their grasping rulers threw them out of power in 1996 and 1997 in favor of challengers who were both less corrupt and more democratic than their predecessors. Much the same may be said of the Ukrainian electorate's behavior in the spectacular presidential election of 2004. In these cases, however, there was an alternative available to voters that was popular, well-known, widely viewed as hostile to corruption, and committed to open politics. Such alternatives are often unavailable, however. The beneficiary of popular indignation is often an illiberal figure or a party. Electorates less deeply victimized by corruption tend to be less receptive to the sirens sounded by politicians who promise quick fixes to massive malfeasance even at the cost of rights.

In short, the economic reforms of the perestroika era were too anemic to establish market mechanisms. To the extent that they stimulated nonstate economic activity, that activity is best characterized as semiprivate. The economy that the reforms spawned involved intimate ties between businesspeople and government

officials—a prescription for corruption. The overall extent of economic liberalization was modest, which left post-Soviet leaders with a virtually unreformed economy and made further liberalization more difficult than it would have been had the reforms of perestroika cut more deeply. Shallow, partial economic liberalization in the post-Soviet setting has further exacerbated corruption. High corruption has increased the popular appeal of politicians who are prepared to use authoritarian tactics to fight sleaze. Corruption has thereby countered democratization.

### **The Politics of Perestroika**

#### **Political Reform: The Dashed Promise of Powerful Legislatures**

The political reforms of the perestroika era were more radical than the economic reforms. Glasnost lowered the barriers of censorship and gave rise to vigorous independent media. By legalizing genuine political communication, glasnost powerfully aided political liberalization. Even more radical than glasnost was the creation of popularly elected legislatures. The election of the Congress of People's Deputies in March 1989 (and of the Supreme Soviet of the USSR by deputies in the Congress from their own members), as well as the elections for soviets on the republic, province, city, and district levels in March 1990, represented the most dramatic and (from the standpoint of democratization) promising reform of the late Soviet period. The reforms converted the decorative, politically irrelevant soviets of old—with their appointed memberships, brief yearly sessions, and invariably unanimous votes in favor of Communist Party decisions—into bodies that met frequently and engaged in real debate.

As impressive as the reforms were at the time, they did not establish a robust basis for democratization in Russia or most other countries of the USSR. The problem with the reforms was not that the elections for the legislatures were rigged or unfair. Although they did not provide a level playing field for all aspirants, and although nominating procedures often filtered out radical candidates, the Gorbachev-era elections were less fixed and fraudulent than most post-Soviet parliamentary and presidential elections in Russia have been. The problem was that the legislatures were not granted enough power to establish themselves as serious organs of government. To be sure, the new bodies became the sites of bona fide, often heated, discussion. But Gorbachev did not transfer substantial power from the Communist Party to the legislatures.<sup>13</sup>

What became clear shortly after the election of the USSR Congress of People's Deputies was that Gorbachev sought to transfer the formal source of his own power from the party to his new post as president of the USSR. The Congress of People's Deputies carried out Gorbachev's election to the newly established executive presidency shortly after its opening session. From that moment forward, Gorbachev referred to himself as the president rather than as party chairman, although he continued to hold the latter position as well.

Once he made his own shift from general secretary of the party to holder of the executive presidency of the country, using the new all-union legislature as his vehicle for executing and legitimating the switch, Gorbachev's interest in



the new legislatures waned. The elections for subnational legislatures went forward in March 1990 and produced contentious and lively for debate throughout the Soviet Union. Some writers have argued that by the time of the August 1991 coup attempt that brought the USSR to an end, Gorbachev had embraced a far-reaching plan to transfer power to the legislatures.<sup>14</sup> But whether for lack of will, capacity, or time, Gorbachev did not execute such a maneuver on either the all-union or subnational levels. In formal-institutional terms, the creation of the popularly elected legislatures raised the possibility of separating executive and legislative power, which previously had been fused and vested in the top echelons of the Communist Party apparatus. But although the new legislatures were free to discuss whatever they pleased, they had to share legislative power with the party and the president, and they did not have the means to enforce their laws. In fact, it was not even clear what their laws meant in practice, or what the legal and practical status of the legislatures was.<sup>15</sup>

The new legislatures did hold the potential to become serious institutions, but only under special circumstances. One of two things had to happen. Either the Communist Party had to break down entirely or the party's leaders themselves had to decide collectively to throw their own billets from the party to the legislature. The former happened in the three Baltic republics. There, muscular ethnonationalist movements existed and the nationalist cause was virtually indistinguishable from resistance to Communist Party rule. In those three republics, the Communist Party folded or radically transformed itself during 1989–91, and the legislatures essentially assumed governmental authority. A different dynamic was at work in Mongolia. There, officials opted to change their titles from party official to parliamentarian. In Mongolia, the Soviet-bloc country that was most closely tied to the Soviet Union and that was virtually a part of the USSR, Communist Party leaders decided in 1990 to cooperate and create a strong national parliament, to which many high-ranking party leaders were elected. In effect, these leaders did en masse what Gorbachev did alone: They moved the site of their power and authority from the party to another office. But the Mongolian leaders transferred their power to the new parliament, while Gorbachev relocated his to the presidency.<sup>16</sup>

Elsewhere, however, the Gorbachev model prevailed during and immediately after the demise of the USSR. The Gorbachev model consisted of using the legislatures to gain election to a newly established executive presidency, and then concentrating powers in the presidency at the expense of the legislature. Although Russia experienced more than eighteen months of sparring between Yeltsin and the legislature for control, Yeltsin subsequently established a president-dominant regime with a feeble legislature. Yeltsin's counterparts did the same in Belarus, Ukraine, the three countries of the Caucasus, and the five countries of Central Asia. In addition to the Baltic states (and Mongolia), only Moldova experienced the emergence of a regime that included a key role for the legislature.

Although Gorbachev's country disintegrated before he could successfully build a formidable executive presidency, most of the presidents in the Soviet

successor states fared better. The newly independent states did not fall apart, and most came under the domination of their presidents and presidential apparatuses. National legislatures remained in existence, but became mere decorations (as in Belarus, Azerbaijan, and Central Asia) or, at best, junior partners in governance (as in Russia, Ukraine, Armenia, and Georgia). As in the Soviet Union between 1989 and 1991, legislatures met and churned out decisions, but remained on the periphery of national politics.

### **The Consequences for Democracy of Weak Legislatures**

Weak legislatures have ruined the prospects for democratization. Remarkably, no country that adopted a constitutional system that provided for a strong president and a subordinate legislature escaped a serious erosion of initial democratic gains. Russia numbers among the most dramatic cases of backsliding from a largely open polity to a mostly closed one under a constitution that vested the lion's share of real power in the presidency.

In sharp contrast, countries that created national legislatures with political muscle built on the gains of the perestroika period and moved decisively toward more open politics. The Baltic states and Mongolia are examples. These countries vary in their constitutional types. Estonia and Latvia adopted pure parliamentarianism, while Lithuania and Mongolia opted for semipresidentialism. But in all four polities, the legislature occupies the center of national politics. In Eastern Europe as well, a sturdy legislature and a relatively weak president have been a prescription for subsequent progress in democratization. Even in some countries saddled with poverty and recent histories of unusually harsh authoritarianism, the presence of strong legislatures helped produce success stories in democratization. Bulgaria, Albania, and Romania are examples.

One may argue that the political complexion of officeholders matters more for democratization than the formal structure and distribution of power.<sup>17</sup> Yet, the postcommunist experience suggests that the institutional configuration of power was more important for democratization than who held office. When Yeltsin took power, he was widely regarded as the personification of Russian democracy. Armenia's Levon Ter Petrosian and Kyrgyzstan's Askar Akaev enjoyed similar reputations. In office, however, these leaders turned despotic and presided over a reversal of democratization. The democratic credentials of Ion Iliescu, the president of Romania from 1990 to 1996 and again from 2000 to 2004, were far less distinguished. Yet, the openness of the Romanian polity actually expanded, albeit slowly, during Iliescu's first stint in office. The country's democratization accelerated between 1996 and 2000, when Iliescu was out of office, and by the end of the decade, Romania was a fully open polity. When Iliescu returned in 2000, many feared erosion of earlier gains. But such backsliding did not occur. Romania experienced no major loss of previous democratic gains, and in 2004 Iliescu turned over the presidency to Traian Basescu, a liberal oppositionist.<sup>18</sup> The difference between the Russian, Armenian, and Kyrgyz experiences and the Romanian experience was not rooted in political personalities of the officeholders. Rather, Yeltsin, Ter Petrosian, and Akaev

faced institutionally toothless legislatures, while Iliescu had to contend with a relatively powerful one.

In fact, executives in parliamentary systems may be antidemocratic in their political orientation, but their capacity for mischief is limited. During the mid-1990s, Zhan Videnov and Vladimir Meciar, the prime ministers of Bulgaria and Slovakia, respectively, showed precious little interest in democratization. Yet, the damage they were able to inflict on their polities' trajectories of democratization was minimal. Videnov and his Bulgarian Socialist Party put only a small dent in democratization, and the dent was hammered out when Ivan Kostov became prime minister and his Union of Democratic Forces took power from the socialists in 1997. Meciar's antics were longer lived and more disruptive than Videnov's. But Meciar was also unable, despite his best efforts, to derail Slovak democratization, which quickly resumed after he was driven out of office by a coalition of liberal parties headed by Mikulas Dzurinda in 1998.<sup>19</sup> In countries with strong parliaments, antidemocratic executives have been easier to contain and unseat than in those dominated by strong presidents. Iliescu was succeeded by Basescu, Videnov by Kostov, and Meciar by Dzurinda. In contrast with these cases, Yeltsin was succeeded by Putin, Ter Petrosian by riots and the region's closest thing to a military coup, and Akaev by riots. Lukashenko's terms as president have been succeeded, and for the indefinite future will be succeeded, by more Lukashenko terms as president; the same may be said of Islam Karimov in Uzbekistan and Saparmurat Niyazov in Turkmenistan. Parliamentary systems in the postcommunist region have purged themselves of autocrats through elections and peaceful transfers of power; presidential systems have ridded themselves of autocrats by riots, demonstrations, and coups—in the auspicious few cases where they have rid themselves of autocrats at all.

### **What if Perestroika Had Persisted?**

Perhaps discussion of the negative legacy of perestroika for subsequent democratization is unfair to perestroika's architects. Gorbachev's tenure covered less than seven years—perhaps too little time to carry out the economic and political reforms needed to undo a legacy of totalitarianism and establish a firm foundation for subsequent democratization in Russia and most other countries.

This possibility invites counterfactual thinking about what would have or could have happened had perestroika persisted and Gorbachev remained at the helm until, say, 1995 or 1996. Even assuming that the dissolution of the Soviet Union would have occurred at the end of perestroika, how would Gorbachev's legacy have differed had he remained in power for another half-decade or more?

Perhaps Gorbachev would have left a legacy that was far more conducive to subsequent democratization than he left in fact. Some writers have argued that by 1991, Gorbachev embraced a plan for a pacted transition to democracy.<sup>20</sup> But examining the overall trajectory of Gorbachev's reform effort leaves room for skepticism.<sup>21</sup> The three pillars of Gorbachev's economic program—the laws on the cooperatives, joint ventures, and state enterprises—were all promulgated in the first four years of Gorbachev's tenure, and from about mid-1989 until the end

of his time in office, Gorbachev showed little interest in carrying out further economic reform. He responded to the onset of economic crisis between 1989 and 1990 not with efforts to accelerate liberalization, but instead with massive foreign borrowing and dubious “currency reforms” that confiscated savings without curbing inflation. Gorbachev’s rhetoric grew more market-friendly as time passed, but his policies did not. Gorbachev did ultimately embrace the slogan of “transition to a market economy,” but he always referred to his goal as “market socialism.” We have little evidence that Gorbachev ever grasped the fancifulness of this concept or that he would have ever done so.

Whether perestroika’s architects would have empowered the legislatures had they enjoyed more time in power is also doubtful. Gorbachev’s creation of the bodies was the high-water mark of perestroika. The waves of government commitment to change actually subsided, rather than rose, after the second round of elections in March 1990. Gorbachev reveled in the legitimacy that the new legislatures earned him abroad, and he tolerated public criticism from parliamentarians. He also welcomed the opportunity to use the all-union Congress of People’s Deputies as his vehicle for election to the presidency of the Soviet Union. But he did not transfer power from the party to the legislatures. Unsurprisingly, he did seek to move power from the party to the presidency. Like presidents everywhere, however, he demonstrated little interest in empowering his country’s national legislature. There is little reason to think that the passage of time would have changed his outlook and policy.

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