

Document No. 1: CIA Intelligence Assessment, "Gorbachev's
Domestic Gambles and Instability in the USSR"

September 1989

Key Judgments:ⁱ

Gorbachev and other Soviet leaders are concerned about serious future breakdowns of public order in the USSR. This concern is well justified. The unrest that has punctuated Gorbachev's rule is not a transient phenomenon. Conditions are likely to lead in the foreseeable future to continuing crises and instability on an even larger scale--in the form of mass demonstrations, strikes, violence, and perhaps even in the localized emergence of parallel centers of power. This instability is most likely to occur on a regional basis, not nation-wide--although overlapping crises and a linking together of centers of unrest could occur.

Instability in the USSR is not exclusively a product of glasnost, and some of it is indeed a sign--as Gorbachev asserts--that reforms are taking hold. But Gorbachev's claim that instability otherwise merely reflects the surfacing of problems that were latent or repressed under Brezhnev is only partly true. The current budget deficit

and consumption crisis is largely due to policies Gorbachev himself has pursued since 1985. And the prospects for further crises and expanded turmoil in the future are enhanced by key policy gambles he is taking now:

- In the nationality arena, Gorbachev is gambling on defusing ethnic grievances and achieving a more consensual federative nation through unrestrained dialogue, some concessions to local demands aimed at eliminating past "mistakes," a constitutionalization of union/republic and ethnic group rights, and management of ethnic conflict to a substantial degree through the newly democratized soviets.
- In the economic arena, Gorbachev is gambling that, by putting marketization on hold through the postponement of price reform, and by pursuing a short-term "stabilization" program, he can avoid confrontation with the public and reengage in serious economic reform without steep costs at a later date.
- In the political arena, Gorbachev is gambling that, by transforming the Communist Party from an instrument of universal political, social, and economic management into a brain trust and authoritative steering organ, while empowering popularly elected soviets, he can

create a more effective mechanism for integrating Soviet society and handling social tensions.

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Gorbachev's gambles and the centrifugal trends they have set in motion are already viewed with extreme alarm and anger by many members of the Soviet political elite. But Gorbachev's major gains in the Politburo at the September 1989 plenum of the Central Committee demonstrated once again how difficult it is to translate conservative sentiment in the ranks into effective opposition to Gorbachev's rule at the top. For the time being, his power looks secure. If, somehow, a successful challenge were mounted against him over the next year or so, the most likely outcome would be a traditionalist restoration that would attempt to "draw the line" in various areas-- especially with respect to democratization of the party and soviets, glasnost in the media, the conduct of informal groups, and expression of "nationalist" views--but would accept the need for significant change, including reduction in military spending and decentralization of management. Unless such a regime chose to move ahead vigorously with marketization (not impossible, but highly unlikely) it

would obtain possible stability in the near term but suffer high medium- to long-term instability, leading toward Ottomanization or upheaval from below. If Gorbachev were not overthrown in the near term, an attempt to turn the clock back would become more difficult--given the reaction of increasingly well-entrenched pluralistic forces--and could thus also be nastier, possibly involving the armed forces and taking on a xenophobic Russian nationalist coloration.

Whether or not Gorbachev retains office, the United States for the foreseeable future will confront a Soviet leadership that faces endemic popular unrest and that, on a regional basis at least, will have to employ emergency measures and increased use of force to retain domestic control. This instability is likely to preoccupy Moscow for some time to come and--regardless of other factors--prevent a return to the arsenal state economy that generated the fundamental military threat to the West in the period since World War II. Moscow's focus on internal order in the USSR is likely to accelerate the decay of Communist systems and growth of regional instability in Eastern Europe, pointing to the need for post-Yalta arrangements of some kind and confronting the United States

with severe foreign policy and strategic challenges. Instability in the USSR will increase uncertainty in the West about proper policies to pursue toward Moscow, reflecting nervousness about Soviet developments but nonchalance about defense, and will strain domestic and Alliance decision-making.

Domestic policy successes or failures will be the paramount factor ultimately determining Gorbachev's retention of office, but foreign policy achievements that allow him to justify further cuts in military spending on the basis of a reduction in the external "threat" would give him more room for maneuver. Western actions that could be presented by his opponents as attempts to "take advantage" of Soviet internal instability could hurt Gorbachev.

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The chances that Gorbachev will successfully overcome the dilemmas (many of his own making) that confront him are--over the long term--doubtful at best. But the process of pluralistic forces taking root in Soviet society strengthens the rule of law, builds constraints on the exercise of power, and fosters resistance to any turnaround

in military spending and to reinvigoration of an expansionist foreign policy--which, as argued above, will be strongly inhibited in any event by the insistent demands of consumption and the civilian sector. This process, and the deterrence of a military reactionary restoration that might attempt to bring about a basic shift in the Soviet Union's foreign posture, benefits greatly from each year's prolongation of Gorbachev's rule. [....]

[Source: CIA declassification. On file at the National Security Archive.]

ⁱ Information Available as of September 21, 1989 [as indicated in original document].