

# For ECO's jubilee

It is 50 years that ECO is with us! All of these years the journal attentively followed and captured main trends and processes in our social and economic environment as it searched together with its authors and readers for answers to most urgent questions. It appeared in 1970 in the time of greatest expectations and the most impressive economic achievements of “the era of developed socialism”. In the 1980-s, we together with our readers had been looking for a ‘human face’ of the said socialism – supporting and promoting fragile sprouts of economic enterprise and ‘socialist initiative’. In the 1990-s, we designed recipes of survival in an uncontrolled market environment. In 2000-s and 2010-s we have been looking for our place in the global economy.

Let us recollect how our journal was changing during half a century of its glorious history.

## 1970-s

‘ECO’ was born in the ideological atmosphere of ‘Kosygin’s’ reform of 1965 that initiated a partial decentralization of management, in conditions of a fast development of sociology, economic-mathematical methods, with growing attention towards an economic experiment in industry and general management problems.

The USSR in the early 1960-s and by the end of the 1970-s lived through a period of fast economic growth. In the years of the eighth five-year plan (1965–1970) the volume of industrial output increased one and half times, about 1900 large enterprises were launched, agricultural output grew by 21%, the national income – by 41%. Later, though, the rates fell off (during the ninth five-year plan industrial output went up only 43%, and agricultural – by 13%), but they still were higher than in the west that was living through the oil crisis at the time. Social life also had things to be happy about.

In 1965 the first man stepped into the open space, in Siberia, a Samotlor deposit opened up, in 1967 a five-day week was introduced, first successful operations took place transplanting liver and heart, in 1968 a first supersonic passenger plane Tu-144 took off, water transport saw ships with underwater wings (“Raketa”, “Meteor”, etc.), in 1969 an Alfred Nobel prize in economics appeared, in

culture the late 1960-s saw the peak of the 'defrosting' art, the start of mass TV, in 1967 broadcasting started from the tallest in the world Ostankino TV tower, in 1970 – drilling of the super-deep Kola drill hole, appeared first pocket calculators, in 1970–1973-s soft landings of cosmic gears were made on the Moon, Mars, and Venus, in 1971 a launch program of orbital space stations 'Salut-1', 'Salyut-6' started, in 1974 the Baikal-Amur railway construction got underway as well as the program of passports for everybody (kolkhoz workers started getting passports)...

This euphoric wave brought up the idea of making an unusual economic journal – a sort of meeting place for scientists and practitioners.

This approach dictated certain requirements for the issue format. Its very size (A5) was meant for putting a new issue into a jacket pocket. A lot of attention went into the style of presentation – rather easy, combining simplicity of narration, journalistic flamboyance, and deep scientific analysis. All of the above made ECO different from theoretical ideological economic publications of those times as well as from journals of economic departments, dry and official.

'ECO' became the first (and for a long time the only) in the USSR journal for 'business people'. It told about serious economic problems in layman's terms with practical examples and also tackled urgent issues of firm management, searching for forms of active participation in daily events. One of the 'killer features' were addresses hosted on its pages on behalf of enterprise directors, plants' economists, employees of ministries, research, and project organizations. Some of them caused quite a stir in scientific and practical spheres.

When a small article by the director of a major enterprise of medium machine building Yu. I. Tychkov "The manager and ACS<sup>1</sup>" caused a flood of letters, the editors arranged for the author to meet a large group of managers from many cities of the country. Their collective conversations about management problems served as the basis for a new publication. Afterward, Yu. I. Tychkov became an active member of the editorial board of the journal and International club of directors, in 1986–1996 he was deputy minister of atomic industry.

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<sup>1</sup> *Tychkov Yu. I.* "The manager and ACS // ECO. 1978. No. 5. Pp. 100–112.

As the veteran of 'ECO', the former deputy chief editor T. R. Boldyreva recollects, many publications of protagonists (sometimes those were people in such jobs as simple shopfloor foreman or chief of shift) had been hotly discussed at meetings of Directors' club, at scientific sessions of Institute of economics and IE SB RAS USSR, and some became a grain that germinated nontrivial scientific decisions thanks to gem-cutting work rendered by economist researchers.

In its turn, the Institute of economics and IE SB RAS USSR sent out 'troops' to plants and enterprises. Their analysis of best economic practices, conclusions and recommendations together with impressions from meeting managers and experts was discussed on 'ECO' pages and became known to the broad public. Thus, the journal bore testimony of best practices of AvtoVAZ, Minsk tractor plant, Moscow's Krasny proletariy, Kyiv institute of electric welding n.a. Paton, Magnitogorsk metallurgic integrated plant, Tiraspol sewing factory, and many other enterprises.

But one cannot say that practical focus displaced the scientific component of the journal. Many members of the first editorial board of 'ECO' were outstanding representatives of whole scientific schools. No introductions are needed for academician A.G. Aganbegyan, a leading scientist in their field of statistical and mathematical methods in economics. The field of sociology was 'covered' by Ye. G. Antosenkov (later on by T. I. Zaslavskaya) who are pioneers of the "Novosibirsk school of sociology". From the first days of 'ECO', outspoken advocates of liberal economic relations S.A. Heinman and P.G. Bunich were looking around for favorable examples of decentralization in the soviet and international practice. A well-known economist, an expert on America S.M. Menshikov 'administered' the area of best practices in capitalist countries – objectively, not as an ideological enemy.

"Social development is not rigidly determined. There always are alternative routes to follow. It is critical to make such alternatives the focus of analysis, study them and determine conditions for the implementation of a possible one" – said in one of his interviews<sup>2</sup> a member of the journal's editorial board academician L.I. Abalkin.

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<sup>2</sup> The editor's questions are answered by academician A. G. Aganbegyan and academician L. I. Abalkin // ECO. 1995. No. 1. Pp. 2–20 [P. 18].

For founders, authors, and readers this thesis was “not a dogma but a directive to act” from its very first issues.

“ECO’ always initiated discussions – ‘round tables’ both direct and by correspondence where readers and authors demonstrating various points of view at the same time confirmed that a single point of view does not have to be right as everything depends on criteria and purposes. The editorial board spent a lot of efforts to maintain constant feedback from readers. “Heaps of questionnaires, punch cards, rolls of machine output – all of these are like a pilot chart for a ship that we use to find our way following the will of the captain and the crew”, – this was said in an editorial dedicated to the first anniversary of the journal<sup>3</sup>.

It should be noted that although many people from the former USSR firmly associate the 1970-s with the period of stagnation, rampaging censorship, and window dressing, the atmosphere in Siberia was quite different. Here, there were new deposits of oil and gas under development, plants and power stations were being built, trunk roads laid, territorial production complexes were formed, new towns and villages sprang up. Artists, poets, and writers came here to visit vanguard construction sites.

The journal was, obviously, ‘riding the wave’ of all these events. Many of its pages were devoted to the subject of Siberian development (BAM, KATEK, West-Siberian oil and gas complex). These subject-matters were curated by staffers of the IEIE who made names for themselves in regional economic studies – M. K. Bandman, R. I. Shnipper, A. A. Kin. Many ongoing projects have drawn on the work done in those years.

One of the permanent (and quite popular) sections of the journal at the time was “Economics of scientific-technical progress”. A flood of letters to the editor was triggered by “an economic case study” that presented economic situations in the form of extreme mathematical problems to solve. And as was fitting the spirit of the times, no publication worth its salt could bypass satirical articles that were always the object of readers’ attention.

On the first jubilee of ‘ECO’ in 1980, the editorial board decided to open up for the readers the inner workings of issue preparation. One learns from the editorial that about 60–70% of articles in the

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<sup>3</sup> The day of open doors (ten years of ‘ECO’// ECO. 1980. No. 1. Pp. 199–204 [P. 203].

journal were ‘made to order’, the rest formed as if ‘by gravity flow’ from stuff that came to the editors by mail. There were criteria developed for selection. None of the ‘generic discourse’, but personal observations and practical experience instead. No enumeration of negative factors but precise analysis of their causes followed by constructive proposals. The simplicity of narration, relevance for the national economy, focus on practicality, evidence of ‘addressee’ (its connotation and the system of arguments depend on who the article is addressed to) – all of these criteria are still relevant today. We are still trying to keep the high standards set by the founding fathers of the journal.

### **The 1980-s**

In these years the country was straining hard to overcome stagnation. In 1982 the USSR approved the food program, in 1983 it adopted the “Law about working collectives and their elevated role in managing enterprises...” and the decree of the council of ministers “On additional measures for broader rights of productive units (companies) in planning their economic activity...”. 1984 marked the start of a far-reaching economic experiment: enterprises of three republican and two union ministries were put on a self-supporting basis. Development of a complex program of economic reforms started.

‘ECO’ picked up everything new that appeared in the economy and supported reforms as much as it could – for further independence of enterprises, their full transition to the self-supporting basis, wide use of goods/money relationships in the economy, strengthening incentives for work, use of best practices of western and west-European countries.

Very popular in those years were sections “Socialist entrepreneurship’ (reports, sketches and interviews with first entrepreneurs), responsible editor – Yu. P. Voronov, “Recommendations for a businessman” (on any important topics – from managing a collective to the style in clothes), “Life of enterprise” (practical experience of resolving production, organizational, management problems; this section was curated by L.A. Sherbakova), “Market institutes” (description and analysis of mechanisms that were new for soviet economists).

Traditionally, in the section of “Discussion club”, we published large scale, spread over several issues, discussions of urgent questions at enterprises. In the same years, there appeared many translated articles and even economic fiction (“industrial’ novels of A. Hailey, works by D. Carnegie<sup>4</sup>), through which readers could learn the ABC of market relations in the economy. Much public reaction was raised by the subject of Siberian ecology that first appeared on the pages of ‘ECO’ in contributions from Z. Ibragimova. Since then the subject has been supported by other authors.

“We tried to describe not only the reality around us but wanted to show what it must be, – as recollects the veteran of ‘ECO’, and its current member of the editorial board Yu. P. Voronov. – Thus, we conceived the journal not as a mirror but as a tool to transform the economy”.

“The very direction of publications towards showing the negative sides of the administrative system, towards justification of the need for profound economic reforms paved the way for the restructuring of the economy and eventual development of the market economy”, – recollected A. G. Aganbegyan<sup>5</sup>.

In those years the journal somehow grew out of the printed format. In 1983, the IEIE with the active participation of ‘ECO’ organized the “All-union club of directors of industrial enterprises” (later on, the international club of directors). Its participants met regularly and exchanged views on problems and solution practices. The discussions were then presented on the journal pages. Up to the mid-2000-s there was a special section “Directors’ club”. Its contributing authors were economist-practitioners, managers of industrial enterprises – Yu. I. Tychkov (Integrated plant ‘Sever’, Novosibirsk), A. V. Karpov (Biysk chemical plant), B. V. Prilepsky (Berdsk biological products factory), N. A. Kaniskin (Elsib, Novosibirsk), K. P. Altsman (Ulan-Ude fine-cloth factory), A. I. Kurtsevich (‘Kors’ factory, Novosibirsk), and many others. The directors’ club exists today, now as an independent organization and its permanent chairman is A. G. Aganbegyan.

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<sup>4</sup> The translation of D. Carnegie caused a big stir. The ‘Literaturnaya Gazeta’ published an article “Philosophy of rat race”.

<sup>5</sup> The editor’s questions are answered by academician A. G. Aganbegyan and academician L. I. Abalkin // ECO. 1995. No. 1. Pp. 2–20 [P. 5].

In addition to that, there was also ‘an initiative on the part of readers’. During 1986–1992 in the city of Syktyvkar, there was an ‘ECO’ club (people called ‘ECO’s fans club). It was organized by the Komi national library, Valeriy Ivanovich Zorkaltsev and I, – as recalls the corresponding member of RAS V.N. Lazhentsev. It worked at full power with lectures, seminars, administrative-party sessions, and meetings. Once, B.P. Orlov came, he delivered a brilliant lecture, listened to us including the first secretary of the Syktyvkar city committee of the party, talked to the employees of our institute, etc.”. according to our esteemed colleague and author, scientific debates about the Arctic held based on the National library still actively use ‘ECO’ publications.” And this is just one of many examples...

Maintaining relations with ‘ECO’s fans clubs. Organizing readers’ conferences and feedback, in general, was the area of responsibility of the deputy editor-in-chief V.D. Ryechin. For about 20 years he had also coordinated the Directors’ club.

In those years the circulation of the journal exceeded 150 thousand copies – an incredible figure for a scientific publication. The geography of its distribution embraced the whole of the Soviet Union – from Vladivostok to Yurmala. From Baku to Norilsk.

### **The 1990-s**

In the ‘reckless’ 1990-s the USSR gave up the ghost, the economies of independent countries that emerged on its ruins went through a serious shock accompanied by a profound decline in industrial output, soaring inflation, total barter in economic interactions, pauperization of a large part of population, emerging gap in the economic development of country’s regions. In 1991, the law on privatization of state and municipal enterprises of RSFSR was adopted, in 1992 retail prices were unpegged, the law on free trade was adopted, in 1993 and 1995 the country lived through two banking crises, in 1994 we had a tremendous drop of ruble rate to the dollar (‘black Tuesday’), in 1998 Russia defaulted on sovereign bonds.

Today this decade is often referred to as the period of transformation reforms, after which the country went from a planned economy to a market-based one. The influence of the journal as a communication forum for scientists and managers clearly heightened

in those years. On the journal pages, its authors and readers exchanged tips and recommendations for resolving crises, jointly searched for ways out of economic dead ends, learned to overcome unforeseen barriers.

The journal itself, as an economic entity itself, acutely felt all the charms of the 'transitory' period. It took incredible efforts not to get out of the schedule, not to fall into the trap of double issues, although we could not hold on to a part of our audience and the ranks of faithful authors got thinner.

The subjects of most publications of those times were recommendations and descriptions of best practices (mostly international) on how to find one's place in the market economy, how to withstand attempts of a hostile takeover, how to build relations with tax organs when accounts payable are accumulating, engage in External Economic Activity, register deals, etc. Those were the years when the journal acquired themes of property structure, investment protection, mechanisms of competition, which were new for the country and its citizens.

Simultaneously, there was a high demand for scientific generalization and explanation of economic transformations. People wanted to comprehend the real historical experience, problems of NEP and cooperation and forecasts of coming transformations. Surely, 'ECO' could not stay aloof to the new time's demands and took an active part in discussions of the strategy and tactics of reforms.

Its characteristic features remained the living connection to practice and open-mindedness. In the words of academician Abalkin, the journal "did not reduce the problems of the economy, economic reforms to purely financial-credit, price problems that are very important but do not exhaust the contents of economic processes. The subject of its scrutiny has always been the questions such as the technological structure of production, structural changes in the economy, organization of public production and management..."<sup>6</sup>.

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<sup>6</sup> The editor's questions are answered by academician A. G. Aganbegyan and academician L. I. Abalkin // ECO. 1995. No. 1. Pp. 2–20 [P. 11].



## The 2000-s and 2010-s

At the beginning of this period the country has lived “seven fat years” (from 2000 to 2007) when the average annual growth rates were twice higher as the global ones. From 1999 to 2007 the production index of the processing industry grew by 77%, the share of the population living below the poverty line went down from 29 to 13%. This was followed by another sequence of rises and falls that now coincided with world cycles. The reforms in the country continued but it was a more ordered and less destructive process aimed at a transformation of separate institutions and sectors of the economy – tax system, land, budgetary relations, banking and pension systems, the military-industrial complex, electrical energy industry, railway transport, housing and utilities infrastructure.

The role of ‘ECO’ in the new system of economic relations has changed. Very seldom now the journal pages host hot debates of hands-on managers. There are fewer of them among the authors and readers of the journal. Instead of the former team of directors who were avidly looking for new economic knowledge, there is a new generation of universal managers. They are much better-heeled in economics than their predecessors and, alas, much less inclined to share their knowledge with colleagues. In conditions of tough market competition, most CEOs prefer to keep to themselves their secrets of success, organizational, and still more – technological know-how.

The majority of readers and authors of the journal are now professional economists – scientists, high school teachers, high-level managers. No wonder the range of discussed problems is different. The most topical subjects in those times were the entrance of the economy of the country and its separate sectors including particular economic entities into the global economy and structural changes in the socio-economic reality. Very relevant now are the problems of public-private partnership, regional development, environmental protection. Way ahead now is the economic theory and methodology of economic research, there are more economic schools with multiple approaches and evaluations that require interpretation.

Thus, under the influence of external pressures ‘ECO’ became more academic, balanced as befits ‘not a boy but a man’. ‘ECO’ is 50! This is the age not only for stock-taking, the journal has enough

pitch and passion for optimism. We not only look confidently into the future but to the best of our abilities try to influence it. The journal firmly intends to stay on the cutting edge of research aimed at the progressive and innovative development of our country. We still keep asking questions to ourselves and our readers: how can we make our country better, improve the level and quality of Russian people's lives, how to secure a dignified place in the global economy. We understand that finding answers takes joint efforts of concerned progressive-thinking experts.

Editor in chief of 'ECO'

A handwritten signature in black ink, appearing to read 'Kryukov', with a long horizontal stroke extending to the right.

KRYUKOV V.A.