UNDERSTANDING THE CHARACTER OF THE SOVIET UNION PART TWO

An important book was written about the character of Stalinist societies by East European intellectuals in the late 1970’s.(1) They wanted to write a book that upheld the standpoint of Marxism and yet was open to the importance of the premises of liberal democracy. This work also attempted to establish differences with the orthodox Trotskyist and State capitalist understanding of the character of Stalinist society. The approach of Trotskyism was summarised in the following manner: “The working class of Eastern European societies exists in conditions of subordination and impotence vis-à-vis the bureaucratic apparatus which exercises political control and manages the social organization of the process of production; the direct producers have no power whatsoever in the formulation and implementation of both economic and political decisions – this is the crucial theses of all theories of transitional society. But this thesis is immediately supplemented by the assertion that this impotent and powerless working class nevertheless exercises –not of course in a direct, but in some socio-theoretical sense – its own rule (or even dictatorship). Though the direct producers are systematically exclude from participation in the management of the economy and public affairs, the state nevertheless in some essential basic sense a workers state.”(2)

This comment establishes the crucial contradiction of the standpoint of the degenerated workers states theory. On the one hand the bureaucratic domination of the economy and society in general means that the working class is in a subordinated position and cannot influence policy. On the other hand despite that situation the working class is described as the ruling class because of the importance of the nationalised economy. This is an abstract understanding that tries to gloss over the fact that the working class in the Western capitalist countries have more influence on economic policy because of the role of independent trade unions and their ability to exercise collective pressure. In contrast, the working class of Eastern Europe is not able to challenge the domination of the bureaucracy, and instead is only able to act in an oppositional manner in the very limited sense of spontaneous, individualised and atomised actions. But in relation to issues like the level of wages and the ability to exercise direct command over the workforce, the ability of the working class to influence these aspects of the conditions of work is less than the working class in the West. The working class has no possibility of exercising even the most basic elementary rights and demands, and so the conception that some type of workers state has been developed is repudiated by the character of the relations of production and the complete subordination, despite individual acts of resistance, of the working class.

It would also be dogmatic to define society as an expression of socialism because of the importance of nationalisation and planning, because genuine socialism requires, according to Marx, the democratic participation of the producers. Instead the issue is the type of society that is not capitalist, despite the influence of the market, and yet is also not socialist. It is also important to explain the important changes that have occurred since Stalin when the regime of terror has ended, and more attention has been given to the production of consumer goods. Furthermore, the view that the USSR is capitalist, and expresses similar aspects of the relations of production of Western capitalism, cannot explain the ideology which is explicitly anti-capitalist, and nor is it possible to explain an economy that lacks the generalised features of private property and the role of the market. The Soviet type economies are not dynamic in the Western sense of producing ample consumer goods in order to meet demand and make a profit, and the importance of profit-making is replaced by the inefficiencies generated by bureaucratic planning. The economy is based on the creation of use values which do not become exchange values orientated to production for the market, and the plan negatively defines the level of consumption because of shortages of consumer articles. Furthermore, the formal control of the worker by the bureaucratic administrative apparatus is more repressive than in the West, and the level of wages is established by the process of dictate from above rather than by negotiation. But the economic power at the disposal of local management is restricted when compared to managers in the West. For example, loss making enterprises cannot be closed. Primarily, the economies of the East cannot establish dynamic rationality that is comparable to the role of the market in the West.

The labour force in the East has no control over the conditions, process or results of its labour. The decisions about what to produce and how to distribute resources is made by the bureaucracy. The producers cannot bargain about wages, and the conditions of work, and the manager of the workplace has unaccountable power. But he/she can be dismissed by the administrative command apparatus of the state, and the local manager has a lack of entitlement to the surplus product. Indeed, the manager has limited influence over the very distribution of the surplus product. Hypothetically the decisions about the overall distribution of the surplus are taken by the political elite, via its control of the planning process. In practice this situation is explained by the many unknown factors that undermine the harmony and stability of the plan, such as foreign trade: “Therefore there always will occur some accidental disturbances of equilibrium in regard to the plan objectives, since some of the most important economic factors cannot be brought under complete control….Once these disturbances occur, however economies for one enterprise are no longer necessarily economies for the whole of society, in that the institutionally set meaning which is determined and specified by the plan.”(3)

This suggests the ability to make a surplus is undermined by the irrationalities of rigid planning. The most important irrationality is the conflict of interest between the local enterprises and the centre. The local enterprise is trying to assert autonomy whilst the centre is also asserting control. The assumption is that the generation of a surplus is undermined and influenced by the contradictions of planning. The centre issues directives which suggest targets should be realised in the most economical manner using the limited amount of resources. The manager is under pressure to meet the plan targets on the basis of the minimal expenditure of costs. The problem is that there are inadequate resources to realise the plan targets of the whole economy, and so the temptation is that the manager will attempt to resolve the aims of the local enterprise at the expense of the integrity of the national plan. The result of these tensions is that inefficiencies appear that undermine the coherence of the plan and these are not resolved because of the constant expression of the contradiction between the interests of the centre and locality.

The author contends that it is too vague and rigid to define the bureaucracy as a collective power that extracts a surplus via effective ownership and control of the nationalised economy. Primarily, the conception of the bureaucracy as a class that is motivated by the generation of a surplus does not explain the inefficient character of the economy which undermines this objective: “If it is the collective interests of the bureaucracy in the sense of a drive to enhance their personal profits that secretly determines the whole working of these economies, then the new ruling class is not only the most ineffective one known in history, in terms of the relative meagreness of material benefits derived from the its unprecedented powers, but it is also stark raving mad since it simultaneously conserves and defends institutional arrangements which create the least comfortable conditions for the enjoyment of the profits so obtained.”(4)

Bu the fact that the surplus is extracted very inefficiently does not mean that it cannot be a significant aspect of the dynamics of the relations of production. The author has outlined important reasons that would suggest that the plan is not able to effectively generate a surplus, and the tensions between local management and the centre would contribute to this problem. But there is no other basis for the privileges of the party than the dynamics of surplus extraction. This may be much lower than that which is possible under capitalism, and this situation is connected to the problem of waste and the inability to sell unwanted goods. But the bureaucracy, unlike in capitalism, does not consider the question of a surplus as its primary goal. Instead the role of the surplus is in order to uphold the political power of the CPSU, and its leadership. The emphasis on the leading role of the CPSU is the major ideological and political aspect of the system, and this contrasts with the primary goal of profit under capitalism. However, because the author has dismissed the significance of profit for the Soviet type economy, he has to locate a different goal function. This is defined as power, which explains why the development of agricultural collectives have been preferred despite the greater efficiency and profitability of private individual farming. This point can be extended to consumer goods in general. The state decided what goods should be produced in order to control the individual consumer rather than act in accordance of the criteria of demand and profits: “What all these phenomena threaten is not the principles of a non-existing socialism, but the unrestrained domination of the apparatus, its ability to function as the sole representative of the general interest in the only real sense in which it does: by making decisions influencing the life of each and every stratum of the population without consulting it at all.”(5)

This point seems generally correct, but it is one-sided to the extent that the relationship of the surplus to the role of power is ignored. Hence the importance of power is primary, but this aspect is connected to the role of extracting a surplus, even if the emphasis on power means that the surplus is generated in a seemingly irrational and ineffective manner. The collectivisation of agriculture did end the flourishing of private farming, but it ultimately generated a surplus under the situation of the domination of the party. The same point could be made about forced industrialisation. But this situation indicates that the bureaucracy identified the process of surplus extraction with the extension of nationalised property rather than the consolidation of private forms of production and the role of the market. The question of the development of the political power of the party elite was connected to the development of nationalised property. They mistrusted private capitalism, because they could recognise quite rightly that its progress would undermine their economic and political hegemony. The inefficiencies of the system, in terms of the inability of generating a surplus, can only be understood in relation to the primary political objective of the party which was to end the influence of capitalism and replace it with the domination of nationalised property. Consequently, when trying to understand what happened in the 1930’s it is not sufficient to conceive of the situation exclusively in terms of power. Instead the system must be conceived in terms of the relationship of economics to power. The CPSU had an ideology of bureaucratic socialism and this was envisaged in terms of total nationalisation of the economy. Hence the socialist offensive of the 1930’s meant the effective end of official permission for private farming. This development may have not led to the effective creation of a surplus, but it did repress the forces that favoured private capitalism. The bureaucracy could not contemplate any rivals for the process of the extraction of a surplus. This apparent modernisation of the economy was also connected to the development of a war economy. The peasantry was super exploited in order to generate the development of a war economy. None of these developments may conform to the criteria of economic rationality, but they did express the ideology of the building of socialism in one country. If we recognise that the process of the extraction of a surplus was not as efficient as that which occurred under capitalism we can understand the relationship between economics, politics and ideology.

Instead of this recognition of the unity of the objectives of economics, politics and ideology, the author prefers to contrast the process of the extraction of a surplus to that of the development of power. This is an arbitrary distinction. He argues: “The total system of social domination is not directed here at securing an expanded appropriation of surplus by one class of society, but this appropriation constitutes only the material basis for the expropriation and monopolization (in principle) of all means of socialization and social organisation by a single apparatus of power.”(6) But it is admitted that in order to consolidate power the process of appropriation (of the surplus) must occur! This comment contradicts the exclusive emphasis on the dynamics of power. The point is power can only be conceived in voluntarist terms if its material basis in the role of the economy is not established. The author implicitly admits this point and establishes the connection between the appropriation of the surplus and the significance of power. The author defends his standpoint by contending that economic functions are subordinated to the dynamics of power. We can accept the point about the primacy of power, but this does not mean that the importance of surplus extraction is denied. It is true that the dynamics of technical development have not been established because of the various inefficiencies of the economy but these do not meant that surplus extraction does not occur. Ultimately the economy could not have functioned without some level of surplus, and this was primarily extracted by the party elite, via the role of the plan.

The system of planning is replaced by the competition for resources, and in order to establish the highest objectives the emphasis is on the priorities of the production of the means of production at the expense of the creation of consumer goods. The local manager will exaggerate the resources needed for production, and so the result is the development of perpetual shortages, and the lack of indispensable raw materials required for production. This means that some factories are often idle because of the lack of resources needed for output, whilst other workplaces are able to hoard resources for possible future production. Therefore shortages goes alongside growing under-utilised resources. Managers are able to meet their requirements by means of informal bargaining with other managers. The result of this situation is a limitation of the supply of goods, and so an inability to meet needs because of the shortage of consumer durables – the dictatorship of needs – and this means in order to undermine the development of discontent it is necessary to allow a semi-legal private market in goods. This indicates that the role of individual autonomy and choice requires the role of the market in order to distribute goods. The choice is not between the market and the plan, but instead establishing their relationship in the most rational manner. Without the market the only dynamic of the economy is the centralised role of the bureaucracy, and the reason that the armaments industry is efficient is because it is subject to the market controls of the interests of the consumer – the army. In contrast: “The inherent contradictions of a command economy…… emerge most clearly in the sphere of the production of consumption goods. Here the system in its undiluted form can function only so long as it imposes a drastic dictatorship over the needs of the absolute majority of the population, an enforced homogenization of demand (through chronic shortages) at the level of bare neccesities.”(7) The inability of the command economy to provide the goods required to meet the needs of the people means that the official economy has to be supplemented by the role of an informal private sector which provides scarce goods, and items from farmer’s individual plots, and also generates vital services like house building. This means the workers can realise remuneration in the form of official wages and the rewards from private work. This situation means the amount of consumer goods is increased and shortages produced by the command economy can be ameliorated. But the private economy is never integrated into the official economy, and so workers engage in the second economy illegally, and often at the expense of official work time. There is also an informal economy based on private contacts between members of the bureaucracy.

The book argues that the role of the party ensures that the apparatus of the economy and political structures has a single purpose despite the separatist tendencies of distinct workplaces and ministries. This means the question of who is a member of the ruling group is defined by being an effective part of the apparatus, and so this stratum is not a class which is defined by a distinct role within the relations of production. It is argued that the defining features of the bureaucracy are not based on the appropriation of a surplus from subordinated classes. Instead the more important criteria is that of command and control in administrative terms. In this sense there is an important distinction between those that make decisions and those that implement them: “Whatever the difficulties …. in drawing the exact boundaries of the corporate group…….nothing can eliminate or even disguise the opposition of interests that exists between those who monopolize all form of public authority and enjoy all the ensuing economic, social and cultural privileges, who realize in their activity the domination of the apparatus over the whole society, and those who not only have no say in the everyday matters of social life, but are dependent even in their private activities on the upon uncontrolled decisions taken by others.”(8) But this question of the importance of power and domination of the bureaucracy over society is connected to the role of the extraction of a surplus: “The appropriation of social surplus by the apparatus as a corporate entity which constitutes the material basis of its overall social domination (and which is effected through the control its members exercise over the whole process of social production and distribution of its results) stands in sharp conflict both with the immediate material concerns and the long-term social interests of the productive workers themselves, and more generally of the whole ruled majority of the population.”(9) This latter comment indicates that the issue of power is connected integrally with the importance of the extraction of a surplus product from the producers by the bureaucracy. It is admitted that there are tensions and conflicts generated by the character of the relations of production, in which the bureaucracy acts as the exploiter of the producers.

However the importance of this economic situation of exploitation by the bureaucracy and the related generation of a surplus is generally glossed over and instead it is argued that what matters in conflicts and tensions is the question of power. This may be true, but it seems obvious that the importance of power is connected to the effective role of a bureaucracy as an exploitative class within the relations of production. This situation may not be similar to the class conflict of capitalist society, but the point is that the differences are created by the very fact that we are considering the distinct type of exploitation of a new type of society. Namely, the exploitation of a bureaucratic class that dominates a society based on nationalised property and the command economy. Furthermore, the power of the bureaucracy would be untenable without this economic situation. The capacity of the bureaucracy to exploit the producers is what provides its objective and material basis to exercise power over society. Hence the question of power cannot be autonomous, or the mystical exercise of the role of the apparatus, instead it is economic domination that enables power to be utilised over the population. This is precisely why the Stalinist bureaucracy acted to extend its power by developing a nationalised economy and the generation of agricultural collectives. The actions of the bureaucracy in this instance would be baffling unless it recognised that its political power was not sufficient and in fact was fragile, and therefore this political power had to become strengthened and consolidated by the establishment of the exploitative control of society. In this manner a surplus was extracted. Indeed this point is conceded, and so the argument that power is only political is recognised as being insufficient.

The only satisfactory manner in which power can be understood is by recognising the relationship of the political to the economic. Hence if we are to develop arguments that the domination of society is not that of a class we would have to provide important economic arguments. But this is not what the author does. Instead he admits that a crucial component of the power of the bureaucracy is economic, and even accepts the actuality of exploitation. Thus implicitly, if not explicitly, he agrees with the arguments that there is a new exploitative bureaucratic class. However, we can accept that the motivating basis of this situation is the primary role of power. It was the motivation to develop total power over society that led the party elite to carry out the economic measures that created the new type of exploitative society. The party could not share power with the workers, or peasants, and so had to extend its political domination into the sphere of economics. This is what explained the formation of agricultural collectives and the development of forced industrialisation. Stalin’s aim was to create a despotic regime, and with himself having absolute power, but he could not realise this aim without the economic measures that resulted in the extraction of a surplus from unwilling producers. In this sense the monolithic rule of the party was extended from the realm of politics into that of economics. If we differentiate between politics and economics then it is not possible to understand the actions of Stalin. This does not mean that a surplus was extracted in an efficient manner because this objective was subordinated to the dominant aim of the extension of the power of the CPSU.

It is argued by Agnes Heller that the ideology of the Bolsheviks under Lenin has been replaced by a rigid dogma that is defined by the views of the party leader. The role of ideology has been ended because there is no longer a situation in which world views compete with each other, and instead the omnipotence of the party leader enables the propagation of dogmatic ideas that justify the totalitarian system. The replacement of ideology by doctrine and dogma can be expressed in the following manner: “Firstly, while ideologies express class interest although they pretend to be universal world views, Soviet ideology pretends to express class interests (those of the proletariat) which in fact have been replaced by Party sovereignty as a goal in itself…….Secondly, ideologies proper are in competition, they go out into the market, they are always in the plural. Soviet Marxism-Leninism, however, does not compete, it excludes all other ideologies from the state and thus itself ceases to be an ideology in the proper sense of the term. Soviet Marxist-Leninism does not try to persuade either: whoever wants a chance in society must accept it. Last, but not least, the coherence of the world view also becomes superfluous. Once it is no longer exposed to criticism, it may consist of different articles of faith that are very loosely interconnected, or even contradict with each other.”(10)

It is true that the world view of the CPSU is a dogma in the manner described by the author but it is also an ideology because it expresses the serious attempt to convince the people that what is occurring is the development of socialism and the creation of the conditions for communism. (There was a crisis of ideology in the 1980’s when these objectives were increasingly replaced by the aim of the introduction of the market) The arguments for socialism are presented in a dogmatic manner, that suggests the omnipotent character of the party leadership, but the aim is ideological which is to persuade the people of the wisdom of the objectives of the elite. In this manner the ideology is not different to the character of ideologies in the West, even if the political situation is different. The party is trying to persuade the people that despite the problems of the past, and the bureaucratic limitations of the party, it is still possible to realise communism. Hence the leadership of the party can bring about communism, and in order to be convincing it is necessary to outline coherent arguments that sustain this claim. Thus the ideology is not reduced to dogma or nonsense, and is instead an expression of a world view that defines historical progress and so represents the confidence that the forces of world socialism are making advances which means the sacrifices of the people have been worthwhile. It is possible that few people believe this ideology, but this is because the objective limitations of the economy mean that the claims of the world view seem over-ambitious and lacking a relationship to reality. But the character of the party elite can be expressed by it ideology, which is that of bureaucratic socialism. This represents the aims and interests of the system, and in this context we are talking about ideology and not a collection of worthless arguments.

The authors conclude that the actual character of the ‘dictatorship over needs’ represents an historical impasse rather than a flawed society in transition from capitalism to socialism.(11) The supposed aspects of socialism such as nationalisation and the expropriation of the capitalists do not represent possibilities of socialism when there is also various forms of oppression, the denial of civil liberty, the lack of rationality of economic and social development, and various other problems. The basis for this development was the role of Jacobin ideology that justified the view that socialism would be introduced and express the leadership of an elite. This situation degenerated into totalitarianism. Secondly, the technocratic goals of material wealth were upheld at the expense of moral values. Furthermore, the justification of a ‘dictatorship over needs’, which meant the creation of a shortage of goods so that actual and individual needs could not be realised. The ideology that upheld these developments was a paternalism based on Jacobean elitism and activism, and this was expressed by industrialisation by the state that was based on the total subjection of the workforce to the imperatives of the plan. These regimes often inherited the legacy of backwardness that capitalism had been unable to resolve. The result of the modernisation of society was to create new regimes of total power and the domination of society: “Movements with an originally socialist intent, largely transformed and degenerated theories with an originally socialist thrust, met real social demands and trends inherent in failed attempts at modernisation and in ossified social structures, and in the underlying operative tendencies to industrialisation. They produced regimes which are, in fact, anti-capitalist but which are not socialist, but rather an abominable caricature of everything socialists have lived and fought for.”(12)

This analysis seems generally correct. The response of the Bolsheviks to the problems of the situation after the October revolution was to justify the ideology of Jacobinism and to create a regime that was bureaucratic and could be described as a degenerated workers state. But it necessary to recognise that there was some element of accountability of the party to the class. This was shown with the introduction of the New Economic Policy, in order to increase the level of food for the cities, which replaced the failed policy of War Communism. Consequently it was only when Stalin triumphed over Bukharin was it possible to create a system based on the total domination of society by the elite. This meant industrialisation was based on the undermining of the living standards of the workers. Thus the ultimate outcome of Jacobinism was Stalinism, but this was not inevitable, it could also have been possible to overcome the bureaucratic tendencies of Stalin and create a regime that was more accountable to the working class and with a greater concern about the interests of world revolution. Only the outcome of political struggle ensured the victory of Stalin, and it is possible that Bukharin could have defeated him. Thus the degeneration of the Jacobin regime was not inevitable and instead there were possible different historical outcomes. Therefore Stalinism is not the necessary inherent result of Leninism, it is also possible to have the regime of the Left Opposition led by Trotsky, or the alternative of Bukharin. These developments would have meant a different history for the USSR. But the central task was to regenerate the relationship between party and class, this would have meant the revitalisation of Soviet democracy and the consistent implementation of measures to improve the living standards of the workers and peasants. Primarily the party which dominates the state would have had to act to end this situation and to make the state accountable to the people.

In conclusion we can contend that this book has contributed to our understanding of the social nature of the USSR and Eastern European societies. However we differ with the view that the bureaucracy is not a ruling class and that the process of economic domination is not primarily characterised by the extraction of a surplus. We would suggest that the conception of the importance of the role of power for the activity of the party elite can be connected to an economic analysis that recognises the importance of appropriation of the surplus product. But despite these criticism, this work has made an important contribution with its conception of the ‘dictatorship of needs’ and the significance of power. In this manner we can understand the degeneration of the October revolution and how the Jacobin party became the organisation of totalitarianism. Furthermore, this work provides important arguments that the problem was not the supposed utopianism of socialism, but instead how the aims of socialism had been interpreted by a party that was influenced by Jacobinism. This approach has to be avoided in the future if a more authentic and genuine perspective of socialism is to be advocated and realised.

FOOTNOTES:

(1)Ference Feher, Agnes Heller and Gyorgy Markus: Dictatorship over Needs, Basil Blakwell, Oxford, 1983

(2)Part One, Economic and Social Structure, p14-15

(3)ibid p52

(4)ibid p64

(5)ibid p68

(6)ibid p70

(7)ibid p98

(8)ibid p125

(9)ibid p126

(10)ibid p187-188

(11)ibid p221

(12)ibid p235-236