WAS THE SOVIET UNION STATE CAPITALIST?

Theories about the character of the Soviet Union as state capitalist have been most notably developed by Tony Cliff. His approach was an alternative to understanding that the USSR was either a type of degenerated workers state or a new type of bureaucratic collectivist regime. Cliff’s approach is outlined in his selected writings volume 3: ‘Marxist Theory after Trotsky’ (Bookmarks, London 2003) in his article: ‘The Nature of Stalinist Russia’. Cliff suggests that the approach of Trotsky that the state is a workers state because of the nationalisation of the economy is wrong because the working class has no genuine influence over the character of this type of social formation, and so: “If the state is the repository of the means of production and the workers do not control it, they do not own the means of production, i.e., they are not the ruling class.”(p4) But the very history of the Russia revolution indicated that this type of definition could express the justification of a dogmatic simplification. It could be suggested that the early years of the Bolshevik regime did not result in any expression of genuine economic and political democracy in which the workers were the dominant economic and political force, and yet the regime still attempted to realise the interests of the working class in a principled manner. It was the complexities of the situation that led to problems in this regard rather than the expression of the flawed motivations of the Bolsheviks that resulted in the creation of a regime in which the party state effectively acted on behalf of the workers and peasants. This situation was still expressed by the Stalin-Bukharin regime of 1924-28 which by the approach of the New Economic Policy attempted to realise an approach based on the expression of the material interests of the workers and peasants. Only the end of the NEP led to a new situation in which the party became effectively independent from the interests of the workers and peasants and so introduced a regime that was different to that which was present between 1918-28. But this development did not inherently mean the development of wither a state capitalist or bureaucratic type of system. Instead, the conclusion that can be made has to be based on the issue as to which of these conclusions seems to be the most theoretically credible. But it also has to be admitted that despite these regressive and reactionary changes the Stalinist regime attempted to defend its policies in terms of the ideology of a bureaucratic type of socialism. This aspect provides the most important reason why the USSR could still be defined as a form of degenerated worker’s state. In other words, the role of ideology must have had an important influence in defining the character of the social formation of the USSR in the 1930’s. Hence it could be suggested that the USSR as was a type of bureaucratic socialism in which the ideology of socialism was distorted in an opportunist manner in order to justify the rule of a new type of elite. However, Cliff disputes these types of conclusions because he concludes that the realisation of a new socialist type of society would require the overcoming of the domination of the bureaucratic type of state and the creation of a new state in order to achieve the different democratic aims of the workers. But this conclusion does not justify a state capitalist view of society instead it could only express the conclusion that the USSR could be either a new type of bureaucratic society or else is a form of state capitalism. What has to be established is the credibility of an economic and social analysis that would be able to confirm in a convincing manner what is the character of the USSR under Stalinist domination. Indeed, it could be suggested that the USSR was a type of degenerated workers state and yet it has been necessary to transform the character of the state in order to establish the possibility of democratic socialism. The importance of a bureaucratic state indicates the necessity for its economic and political transformation however we define the class character of the USSR. What has to be important is the credibility of the analysis of the USSR as either being a type of workers state, a new bureaucratic social formation, or state capitalist. It also has to be understood that the ideology of Stalinism was based on the perspective that what was being created was a type of socialism. In this context state capitalism would seem to be a conclusion that contradicts the assumptions being made by the ideology of the bureaucratic system. With these points in mind, we can begin to discuss the standpoint of Cliff.

Cliff contends that the character of the social formation of the USSR is defined by the lack of the genuine involvement and participation of the workers in the expression of its character and functioning. Hence the restoration of capitalism would not involve a process of transformation but instead only the modification of the system. On the one hand the workers if they came to power would not be able to utilise the role of the bureaucratic state, but the restoration of capitalism would not involve any fundamental process of social and political transformation. But this understanding merely proves that an elite is dominant within the USSR. In other words, the issue concerning the character of the USSR is not explained primarily by the issue of the importance of change by the working class because this aspect does not decide the importance of the type of economic and social formation. Instead, this issue can only be established in terms of the relationship of the workers and the bureaucratic elite within the economic and social system. However, what Cliff seems to be able to establish in convincing terms is that Trotsky’s conception of the Stalinist system in terms of inequality of the aspect of consumption and distribution between the workers and bureaucrats is inadequate. Cliff seems to be able to establish different criteria for understanding the character of the Stalinist social formation: “Does the bureaucracy only administer the distribution of means of consumption among the people, or does it also administer the distribution of the people in the process of production? Has the bureaucracy a monopoly only over the control of distribution, or also over the control of the means of production? Is the rule of the bureaucracy connected only with a certain way of distribution of the means of consumption or also the distribution of the total labour time of society between accumulation and consumption, between production of the means of production and that of means of consumption?......Do the relations of production prevailing in Russia not determine the relations of production which compromise a part of them?”(p10) This would seem to be the basis of an effective methodological critique of the approach of Trotsky which seems to suggest that unequal relations of distribution are of primary importance in what is still defined as a form of socialist economy. In contrast Cliff is suggesting that the very unequal aspect of distribution must be an expression of a type of economic system in which a surplus is extracted from the workers by a new type of ruling class. Cliff suggests that Trotsky’s position is untenable because he accepts that the bureaucracy extracts a surplus from the producers in the process of production and yet insists that the character of the social formation is that of a degenerated workers state. In contrast Cliff is suggesting that because the Stalinist elite is a dominant and privileged ruling class that exploits the workers, this situation means that the conception of a degenerated workers state is problematical. This conclusion would seem to be reasonable and is the basis to develop an effective criticism of the perspective of the degenerated worker’s state. Cliff indicates that there is a problem with Trotsky’s view that the bureaucracy has established its economic and political supremacy over Soviet society and yet this does not represent a system of systematic domination in terms of the character of the relations of production. In other words, the domination of the state does not mean that a type of capitalism has not emerged. Instead, it is necessary to evaluate whether the ascendency of the state represents a capitalist economy or some other type of economic and social formation. But what this development of the domination of the Stalinist elite cannot express according to Cliff is a type of workers state because the very interests of the workers are being denied and undermined in this social formation. Even in indirect terms this type of society cannot be understood to be a worker’s state because of the aspect of a nationalised economy. Instead, this type of economic activity is based on the opposition of economic interests between the bureaucratic elite and the workers. However, this reasoning does not establish the development of a state capitalist social formation. Instead, the character of the economy could represent the role of a new type of society. Indeed, that was the very conclusion made by some Trotskyists. What Cliff has established from the aspect of the exploitative domination of the economy by the Stalinist elite in the USSR and post-war Eastern Europe is the role of a bureaucratic supremacy over these countries. Cliff would seem to have a credible point when he indicates that the role of nationalisation does not express the role of a degenerated workers state. But neither does this situation also indicate the aspect of state capitalism. Instead, it is quite possible to conclude that this development is an expression of a new type of social formation in which an exploitative ruling class dominates the workers in a new and different manner when compared to capitalism. The point is that we have to understand the importance of the ideology and history of the Bolshevik revolution. One of the most significant aspects of the October 1917 revolution was the aim of socialism combined with the role of Soviet democracy. However, this aim had to be modified in terms of the dominant role of the revolutionary party because of the difficulties involved in trying to realise a genuine system of economic and political democracy of the producers. This situation could be reconciled with the objectives of genuine socialism when Lenin was leader because he was dedicated to the attempt to realise this objective of the creation of an emancipatory society. But under Stalin’s leadership was became a priority was upholding the privileged position of the party elite in economic and political terms. Such a situation could only result in the justification of a new system of exploitation and domination of the producers, whether the workers or peasants. Hence the issue for principled Marxists became how to define this new bureaucratic system based on the role of the economic supremacy of the party elite. It would be difficult to define this new type of society as capitalist because the ascendency of the state over the economy seems to contradict the role of private ownership of the means of production that occurs within capitalism. There was no role for the market and products could not be considered to be commodities based on the role of commodity exchange. But what was similar to capitalism was the aspect of the exploitative domination of the producers in the process of economic activity in order to create a surplus. The point is whether this aspect indicated that a type of capitalism had been created in the USSR? Or was what occurred was the expression of a new expression of a system of exploitation and domination of the producers? What would seem to be excluded was the conception of the USSR as socialist because the workers had no effective capacity to be able to express the character and aims of economic activity. Nor could it be established in a satisfactory manner that the party was able to act on behalf of the interests of the workers and peasants in a progressive manner. Hence the issue for genuine Marxists concerned how to characterise the character of the USSR. Trotsky’s essential argument was that the continuation of the role of the nationalised economy which had been established by the revolutionary process meant that in a limited manner the production system was an expression of the interests of the workers, and so he defined the social formation as a degenerated workers state. But the point is that this type of relations of production actually ensured the systematic subordination of the workers to the bureaucratic elite, and in that manner a surplus was extracted from the workers without their genuine acceptance of this situation. Therefore, for a principled Marxist, the major issue concerned how to understand what seemed to be a new system based on the subordination of the workers as producers to a new economic elite. Cliff’s definition in this context is that of state capitalism, but this means that he has to effectively deny the importance of ideology and the claim of the party elite to be promoting the creation of a system of socialism. In other words, Cliff is suggesting that there is only one type of socialism which is the principled and democratic expression of this aim in the form of a genuinely popular regime. He does not accept that the aim of socialism could be distorted and changed by becoming the justification of the domination of the party elite in economic and political terms. Hence what is being suggested is that there is one form of socialism which is expressed in democratic terms, and so the supremacy of the party elite must have resulted in the creation of a new type of capitalist society, or state capitalism. However, the problem with this view concerns whether it is possible to have a type of capitalism without the role of companies and a genuine market for the process of competition between different commodities. Hence Cliff concludes that the USSR is state capitalist and so does not study the importance of the difference between this supposed type of economy when compared to what could be defined as a typical expression of capitalism.

In other words, the important problem of the approach of Cliff is that he does not seem to establish the relationship of the role of the party in relation to the creation of the possibility of a genuine socialist type of society. Instead, he assumes that: “The ‘new middle class’ constitutes part of the productive forces, and as such is a necessary element of production, but their place in the hierarchy of capitalist society is a transitory one, just as capitalism is transitory. Socialism will entirely do away with their hierarchical position over the proletariat in the process of production. A new relationship will be created between the different elements necessary for the socialist mode of production, between mental and manual labour. The new relationship….begins to take shape with the transition period.”(Cliff p19) Thus: “The working class, which constitutes a part of the productive forces and a part of the capitalist relations of production at one and the same time becomes the basis for the new relations of production and the point of departure for the development of the productive forces on the foundation of these relations.”(Cliff p19) But this perspective is not what was established by the post-revolutionary regime. Instead, the aspect of genuine economic democracy based on the ascendency of the role of the producers was only temporary and instead what was established was a hierarchical economic system based on the role of one-man management and the centralised economic power of the state. In this context it was never possible to establish a viable and effective form of democracy of the workers. Therefore, the state acted on behalf of the workers in relation to economic objectives, and so if it could be established that the state was undergoing a process of authoritarian degeneration then it was possible to suggest that the character of the social formation was no longer based on the attempt to realise the aspirations of the workers. However, the starting point of Cliff is that the aspect of workers control of the economy means that the objectives of the process of production are being established by the importance of the producers, but the important issue is that the economic experts emerge as being the primary aspect of the character of the relations of production. These experts act on behalf of the workers and so this means that the principle of bourgeois principles of the aspect of the character of production and distribution still occur within the post-revolutionary type of economy. Cliff considers that this situation is not problematical because the aspect of economic inequality within the relations of production is compatible with socialism: “The point of departure of the bourgeois right of distribution in a workers state is the non-existence of any exploitation whatsoever, and the evolution towards the abolition of all economic inequality, even that resulting from natural individual endowment.”(Cliff p24) But this conclusion could be considered to be problematical because it assumes that the aspect of economic inequality within the relations of production, or the role of both managers and workers, is compatible with the development of egalitarian relations of production. However, it could also be suggested that this situation was inevitable given the apparent problems involved in trying to establish genuine economic democracy in a situation in which the workers have not yet acquired the necessary capabilities to establish this possibility. In this context it would seem inevitable that the workers state has to act on behalf of the workers in order to develop the capacity of the proletariat to be able to organise the economy. However, this transition period can mean the development of tensions in which a tendency is created by which the state acquires its own independent economic power and so attempts to act on behalf of the workers. This situation could facilitate either transition to genuine socialism based on the role of the interests of the producers, or alternatively the consolidation of the control of what has become a bureaucratic elite over the economy. The ultimate criteria by which these developments have to be evaluated is the issue of whether some form of democracy of the role of the producers in the economy has been established or instead becomes the expression of the consolidation of the domination of a bureaucratic elite within the relations of production.

We would suggest that the establishment of the supremacy of the bureaucracy over industry and agriculture does not represent the expression of a new type of capitalism. This is because the system lacks the major aspect of capitalism which is private ownership of the means of production in order to extract a surplus from the workers and to therefore accumulate capital. Instead, the total ownership of the economy by a bureaucratic state must express the development of a new type of social system. To Cliff the five year plan meant the expression of a system of state capitalism because it represented the systematic extraction of a surplus from the workers in order to effectively accumulate capital: “For the first time the bureaucracy now sought the rapid creation of the proletariat and accumulation of capital, in order as quickly as possible to realise the historical mission of the bourgeoisie. A quick accumulation of capital on the basis of a low level of production, of a small national income per capita, must put a burdensome pressure on the consumption of the masses, on their standard of living. Under such conditions the bureaucracy, transformed into a personification of capital, for whom the accumulation of capital is the be-all and end-all, must get rid of all remnants of workers control, must substitute conviction in the labour process by coercion, must atomise the working class, must totalitarianise all social-political life. It is obvious that the bureaucracy, which becomes necessary in the process of capital accumulation, and which becomes the oppressor of the workers, would not be tardy in making use of its social supremacy in the relations of production in order to gain advantages in the relations of distribution. Thus, industrialisation and a technical revolution in agriculture (“collectivisation”) under conditions of siege transforms the bureaucracy from a layer which is under the direct and indirect pressure and control of the proletariat, into a ruling class, into a manager of ‘the general business of society:…and so forth.” (Cliff p56) But all this comment essentially establishes is the importance of the economic supremacy of the bureaucracy. What has not been convincingly indicated is the relationship of this aspect of the domination of the Stalinist elite to a type of capitalism. It has to be understood in ideological terms that the very objective of the Stalinist party is to end all aspects of the influence and importance of a capitalist type of economy, which was why the peasant economy was collectivised. In other what Cliff would have to explain is how the apparently socialist aims of the Stalinist party could be reconciled with the development of a state capitalist economy. Instead, it would seem that the ideology of bureaucratic socialism would suggest that a type of society with these characteristics was being created. Indeed, the very aspect of the importance of capitalism is being ended with the collectivisation of agriculture. This does not mean that the aspect of exploitation is not an important feature of the economy, but that this situation is being reconciled with the continuation of an ideology of elitist socialism. The very importance of the party is indicated by its role in trying to end the continuation of capitalism within the economy which has been associated with the role of the rich peasants or kulaks. In other words, a system of the domination of the bureaucratic state has been established but this could not bd defined as capitalist because the importance of this aspect is ended by the very actions of the government. Thus, what is being established is a new type of social formation based on the creation of a different form of the process of the extraction of a surplus from the producers. Indeed, this would actually seem to be the logical conclusion of the analysis of Cliff, but in a contradictory manner he defines the new system as state capitalism. In other words, he actually indicates aspects of a bureaucratic economy and yet defining it as state capitalist. We would suggest that any type of capitalist economic formation requires the role of a system of private production by companies and is connected to the role of a genuine market. But these aspects are not effectively present in the USSR. This means that the system of the exploitation of the workers and peasants has to be defined in different terms. But Cliff does not seem to recognise the importance of these types of objections because he is adamant that any system of economic exploitation has to be defined as capitalist. The result of these problematical issues is that he cannot envisage the development of a new system of economic exploitation and the creation of a new ruling class that is not capitalist.

Ultimately Cliff suggests that the difference between a worker’s state economy and the situation of state capitalism is that within the former the workers have the ability to be able to define the character of the process of production and the creation of a surplus. In contrast the system of state capitalism would mean that the elite who control the state are also able to define the character of the economic social formation in terms of the promotion of an extraction of a surplus from the workers: “State capitalism means the extreme subjugation of the working class by the capitalist class which controls the means of production. A worker’s state means the suppression of the capitalist by the working class which controls the means of production.” (Cliff p61) But the conclusions from this definition would imply that the Bolshevik regime was never an expression of a workers’ state because the state apparatus always had dominating economic importance and there was never any expression of the role of economic democracy of the producers. But it could be suggested that in this initial period of the Bolshevik regime there was a worker’s state because the aspect of government was motivated by the attempt to realise the interests of the workers in order to achieve economic progress. Only the end of Leninism altered this situation and led to the role of a Stalinist government with more elitist economic objectives that ultimately expressed the aim of the extraction of a surplus from the producers in systematic terms. In other words a political counterrevolution led to a situation in which the objective of socialism as an expression of the interests of the working class was replaced with a different situation in which the interests of a new ruling class became justified: “Seeing that the workers as individuals are not owners of means of production, even in a workers state, and their ownership as a collective is expressed through the ownership of the state which is the repository of the means of production, therefore if they are politically expropriated they are also economically expropriated.”(Cliff p74) But this development only indicates that the character of the creation of a surplus is n longer defined by the role and interests of the workers. All that has been established is that the situation in which the aims of the workers had a primary importance in economic terms has become replaced by the primary importance of the role of the dominant party acting as a new type of elite. But Cliff does not make this conclusion from this type of analysis and instead considers that the creation of state capitalism has occurred: “But where the bureaucracy of a workers state is transformed into a ruling class economic and political restoration are indissolubly interwoven. The state becomes gradually further divorced from the workers, the relation between it and the workers thus becoming more and more like the relations between a capitalist employer and his workers. In such a case the bureaucratic clique that first appears as a distortion gradually transforms itself into a class which fulfils the tasks of the bourgeoisie in capitalist relations of production. The gradual revolutionary divorcement of the bureaucracy from control of the masses, which continued until 1928, reached the stage of a revolutionary qualitative change with the first five year plan.” (Cliff p75) But this perspective would merely seem to suggest that what has occurred is a process of the establishment of the domination of a bureaucratic elite that is able to extract a surplus from the production of the workers and peasants. The very aspect of the subordination of the workers within the relations of production is presumably sufficient in order to define the USSR of Stalinism as being state capitalist. But instead, there is the possibility that this situation of the subordination of the workers in economic and political terms can be defined in different terms.

Furthermore, Cliff is adamant that the aspect of the creation of value cannot be defined in terms of the role of the productive activity of the workers in the economy of the USSR: “The abstraction has solved one fundamental question: that the source of the activity of the law of value is not to be found in the internal relations of the Russian economy itself.”(Cliff p90) Hence the only possible explanation of the importance of the role of exploitation can be defined in terms of the relation of the USSR to the world economy. But this would seem to be a problematical approach given that the level of trade between the USSR and the world economy was not very great in the 1930’s Hence what could be considered to be a marginal aspect of the economic role of the USSR is considered to be the primary aspect for explaining its social character. But primarily it would seem that the relationship between the workers and the bureaucracy in terms of the aspect of productive activity is of marginal important when trying to establish the character of the economic system. But we would suggest that it was the systematic subordination of the workers within the relations of production which must have had a significant aspect when trying to establish the nature of the economy. However, Cliff suggests that it is the importance of the exploitative character of the relations of production which is established by the relation of the USSR to the world economy: “The rate of exploitation, which is the ratio between surplus labour and necessary labour (s/v) is not dependent on the arbitrary will of the Soviet bureaucracy, but is dictated by the pressure of world capitalism, which compels Russia to undertake a quick accumulation.”(p91) But this perspective would seem to project an aspect of secondary importance into being an issue of primary significance. This conclusion would seem to deny the aspect of the introduction of collectivisation of agriculture and the intensification of discipline in the factories as being of primary significance when attempting to understand the character of the Stalinist economic system. It is surely the character of the economic system of the USSR which has major importance when trying to evaluate the relations of production. In this context the intensification of the process of the extraction of a surplus from the workers and peasants would seem to imply the consolidation of a new exploitative social formation. In this context it is possible to discuss whether it is a type of bureaucratic social formation of a form of state capitalism. Only the relations of production concerning the extraction of a surplus from the producers would enable us to be able to define the economic system of the USSR in a definite manner. But this is the very aspect that Cliff seems to deny. He is not interested in defining state capitalism in terms of the aspect of the exploitation of the producers, and instead emphases the importance of the economic relations of the USSR with the rest of the world economy. It is the discipline of the relation of the USSR to the world economy which explains the development of state capitalism. But this would seem to be a dogmatic explanation given the continued lack of major trading relations between the USSR and the world economy during the 1930’s. In contrast the internal aspects of collectivisation of the peasantry and the introduction of five- year plans would seem to be of primary importance when explaining the economic character of the USSR.

But Cliff is adamant that the internal aspects of the economy of the USSR do not explain its character: “After eliminating the internal relations in Russian economy as the source of the law of value, we must now examine the relations between the Russian and world economy. It is here that we do find the source of the activity of the law of value to which Russian economy as a whole is subordinated, and which, therefore the internal relations of the economy are also subordinated.”(Cliff p90) This conclusion is connected to the primary importance of the world economy for an understanding of the major aspects of the Soviet economy: “The division of labour in Russia done independently of competition with other countries, would be absolutely arbitrary. In reality Stalin decides on the division of labour inside Russia in the same way as the individual capitalist decides on the division of labour in his factory. But the decision itself is derived from powers over which he has no control whatsoever – it is derived from the autonomy of world economy, from world competition.”(Cliff p90-91) This means: “the rate of exploitation, which is the ratio between surplus labour and necessary labour (s/v) is not dependent on the arbitrary will of the Stalinist bureaucracy, but is dictated by the pressure of world capitalism, which compels Russia to undertake a quick accumulation.”(Cliff p91) But whatever the level of importance of these external factors for understanding the development of exploitation of the workers, what is of primary importance is the aspect of the role of the extraction of a surplus from the workers by the party and managerial elite within the process of production. However, this system cannot be defined as capitalism and is instead a new type of exploitation of the producers in the economy because of the lack of the role of private companies. In other words, the situation is defined by the domination of the bureaucratic elite within the relations of production which enables them to be able to extract a surplus from the production of the workers, or in other words the control over the process of production by the party elite enables them to be able to obtain a surplus from the sale of the goods created by the workers. But this system based on the subordination of the role of the workers as producers within the economy cannot be considered to be a form of capitalism because the good’s they create are not commodities that are created for sale on a competitive market. Instead, the very domination of the state bureaucracy instead of the domination of capitalists over the process of production implies that a different and distinct type of a system of the exploitation of labour has been created. The aspect of the subordination of labour within the relations of production is a similarity with the role of capitalism but the replacement of the role of private companies with the domination of the state over the economy means that the aspect of the exploitation of labour has a different character when the system is compared to capitalism. The point is that state capitalism is not a type of feasible economic system because this would imply the end of the role of competition between rival companies which is an important aspect making accumulation possible within a capitalist system. There has not been the development of effective forms of state capitalism, and instead the domination of the state over the economy even if it still involves the exploitation of labour must be defined as a different type of economic system.

Cliff defines the character of Russian state capitalism in terms of the following aspect: “The rate of exploitation, which is the ratio between surplus labour and necessary labour (s/v) is not dependent on the arbitrary will of the Stalinist bureaucracy, but is dictated by the pressures of world capitalism, which compel Russia to undertake a quick accumulation.”(Cliff p91) But this argument is actually weakened in that Cliff accepts that this competition is not that based ln the sale of commodities in terms of the role of foreign trade, but is instead vaguely defined in terms of military competition. But what this point merely establishes is that the Soviet Union had a situation of military rivalry with various foreign powers in the 1930’s. It is not established how this aspect influences the character of the economic system within the USSR apart from the vague contention that this aspect explains the importance of competition between rival powers in terms of the dynamics of capital accumulation. But this aspect does not explain the role of the USSR as state capitalist. However a more credible explanation of the character of the economy is outlined when Cliff contends that: “The control of the state over the different elements of the process of reproduction – consumption and accumulation, the movement of workers in the labour market…..This control of the state over the economy as a whole makes it possible to depress the standard of living of the masses to a very low level, to produce a very small quantity of means of consumption, and to divert capital and labour power to the production of new means of production. This is indeed the most important factor explaining Russia’s quick tempo of industrialisation.” (Cliff p96) Such a convincing explanation of the domination of the elite over the relations of production and its ability to create the conditions to extract a surplus from the workers is what pope primarily explains the development of a new type of exploitative social formation. But the point is that this very analysis does not necessarily lead to a state capitalist understanding of the character of the USSR. Instead, these aspects could be considered to be compatible with the conclusion that the USSR is a new type of exploitative society. This point can also be made about the development of the domination of Eastern Europe by the Soviet bureaucracy after world-war two. In other words, whilst these developments can be considered to be an expression of a situation of the imposition of the economic and political domination of the Soviet elite this does not necessarily meant that this situation indicates the development of the role of the expansion of a state capitalist type of society. In other words, Cliff has not been able to establish the criteria of the development of a state capitalist economy because he accepts that the relations of production of the USSR are not defined by the importance of a system of exploitation of the workers which could be defined in capitalist terms. Instead, the character of the economic system of the USSR is established by the importance of international aspects which impose the logic of capital accumulation onto the character of the Soviet economy. Furthermore, the post-war domination of Eastern Europe suggests that the imperialist character of the USSR is defined by its state capitalist system. This conclusion seems to ignore the fact that it is entirely possible for a different bureaucratic collectivist type of system to have imperialist aspects.

In other words, Cliff’s theory seems to be very problematical because he does not attempt to establish that the character of the relations of production is based on the importance of the extraction of a surplus from the workers. Instead, he provides different and more questionable criteria by which to define the USSR as state capitalist such as the imperatives established by the world economy and international relations. Indeed, he seems reluctant to study the character of the relations of production between employers and workers and instead considers that this aspect is entirely secondary when compared to the imperatives of international economic and political relations which apparently establish the role of state capitalism within the USSR. It is interesting that more recent supporters of the state capitalist approach have attempted to overcome these limitations of Cliff’s approach and instead establish the internal aspects of this type of standpoint. Possibly the problems of this perspective have been addressed in this context. But we would suggest that capitalism is essentially a system based on the private ownership of the means of production by the capitalist class. In this context the economic social formation that emerged from the USSR was not a form of genuine socialism but was instead a system that was based on the domination of a new bureaucratic elite, and has been most convincingly explained by the Trotskyist movement.