

The Soviet Economy in the 1920s and 1930s*

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In the history of Soviet studies in Britain, Marxist ideas and influences have always been an undercurrent. This undercurrent has sometimes acted as a positive force; sometimes it has been merely argumentative and factitious. But it has never escaped its subordinacy.

Individual Marxists have worked in isolation, reliant upon the research, the formulations and the good will of non-Marxist colleagues. For the most part the influence of Marxism has been deflected, absorbed or contained.

Thus, in examining the British field today, among the most important questions are the health and strength of bourgeois scholarship, and the prospects for developing a creative Marxist tendency capable of transcending its past “moral and intellectual” encirclement.

Here one clarification is necessary. I have referred to the position in Britain, but the links between English and American scholarship are many and obvious. Is there, in fact, a specifically “British” Soviet studies? The internationalisation of Soviet studies has proceeded a long way, but it is far from complete. While language barriers, which separate British from Italian, French or German work, do not inhibit the emergence of an “Anglo-American” enterprise, the very different political conjunctures continue to distinguish the balance of tendencies in Britain and North America. And I must make it clear that for me Britain is “here” and North America is “over there”. I can only write about this relationship from my own experience and knowledge, and inevitably my perception of the influences emanating from “over there” will be incomplete.

Finally, I shall seek to examine a number of positive developments in the study of the inter-war Soviet economy and its socialist transformation, and I shall cover the decade which began in 1966. This decade has a special significance. It began with the publication of the last, sixth edition of Maurice Dobb’s *Soviet Economic Development since 1917*, and finished with his death. If, as I shall argue, the last decade has been one of transition, Dobb was a central figure in that process.

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The socialist transformation of the economy

The question of “primary accumulation”

For many years it was considered that the October revolution, in destroying the economy of the great landlords and kulaks in 1917-1918, had destroyed the ability of agriculture to produce a surplus. The redistribution of land to the rural poor, and the consequent re-emergence of a massive “middle” peasantry, meant that the rural population consumed more of its own production, and sold less to the towns. The authority for this view was no less than Stalin.¹ In the conditions of the 1920s, Soviet industry could not grow beyond the limits of its pre-revolutionary development without re-establishing an enlarged flow of foodstuffs (especially grain) and industrial crops from agriculture to feed expanding industrial production and employment.

According to the conventional view, this enlarged flow, or “tribute”, was re-established through the collectivisation of agriculture in 1929-1930, and the enforced delivery of collective-farm “surpluses” to the state at very low prices.² In this way, it was held, Stalin had carried out the strategy of primary socialist accumulation advocated by the Trotskyist economist Preobrazhensky (although by means of a coercive force not envisaged by Preobrazhensky himself).³

Thus the primary accumulation of the socialist sector in the 1930s had been at the expense of the peasantry. The crude — but effective — method of forced collectivisation had financed Soviet industrial growth.

Recent work has largely discredited this system of views. In terms of agricultural production it is now accepted that the 1920s had seen a considerable improvement in crop yields, and in diversification away from a grain monoculture. Among Soviet historians both Moshkov and Barsov have argued that the revolutionary land distribution, and the revival of the middle peasantry, may have destroyed the semi-feudal estates and the more developed small-capitalist farms — but they also made possible a more productive peasant agriculture. (Moshkov 1966, pp.19-24; Barsov

¹ His speech “On the Grain Front” of 1928 was translated, for example, in Stalin 1940, one of a number of selections through which his writings became known to the British public. More recently this view has been supported, with varying reservations, by Dobb 1966, pp.216- 217, Lewin 1968, pp.176-177, Strauss 1969, p.84. Carr and Davies 1974, p.971.

² Among Communists a somewhat critical acceptance of this thesis has become the norm. See for example Pollit 1972, Dunman 1975, p.123.

³ Millar, n.d. suggests that the popularisation of this view originated with Erlich 1950. See also Erlich 1960, Spulber 1964, Dobb 1965. Preobrazhensky’s 1926 was published at this time in English translation (by Brian Pearce) as *The New Economics*. One of the most critical analyses of the traditional type was that of Mandel 1968, pp.553-554.

1969, pp.22-3).⁴ This view is reflected in the most recent English work (Cooper, Davies and Wheatcroft, n.d.).

In terms of agriculture marketings to the state and the urban-industrial sector, there has been some controversy. Did the peasant agriculture of the 1920s really market much less to the towns than the pre-revolutionary agrarian structure? Or was this a Stalinist falsification? Would it have been so difficult to raise the level of marketings through a system of price incentives of the type advocated by Bukharin (Karcz 1967; Davies 1970; Karcz 1970)? From today's standpoint it is possible to suggest a number of tentative conclusions.

Firstly, the Soviet peasantry before collectivisation probably was marketing less grain (Carr and Davies 1974). But it was marketing more of other agricultural products, because it was producing more. The decline in grain marketing, although serious, was probably not caused by the diminished role of kulak and large-scale farming; for example, less favourable price incentives may have had something to do with it.⁵

However the real bombshell was the publication in the Soviet Union of a work by Barsov which examined the question of the agricultural surplus on the basis of previously neglected statistical and archival materials. If we define this surplus, roughly, as agriculture's sales to industry minus agriculture's purchases from industry, and measure this sum in real or constant-price terms, then the agricultural surplus did not increase as a result of collectivisation. Over the period of the first Five Year Plan (1928/29-1932) the agricultural surplus was no greater than in 1928, nor did it apparently increase subsequently.⁶ There has been controversy over the correct value measurement of the surplus. But nearly everyone now accepts that Barsov has proved that collectivisation did not enable the extraction of an increased surplus from agriculture, and that agriculture did not finance the increase in industrial accumulation in the 1930s.⁷

The reason for this was that the livestock sector declined dramatically after collectivisation (some animals died for lack of fodder, others were slaughtered in the

⁴ In Britain further work is being continued on the dynamics and efficiency of agricultural production by S.G. Wheatcroft n.d. (a), (b), (c)).

⁵ This question is approached in Harrison, n.d. but work in this area is still continuing. A diametrically opposite viewpoint — that excessively favourable terms of trade were at work — is suggested by Millar 1970.

⁶ Barsov 1969, considers the years 1928-1932. In a later article, Barsov 1974, he develops this theme, introducing data for 1937 and 1938.

⁷ This discussion followed on the heels of that involving Karcz and Davies. See Millar 1970, Nove 1971a, Millar 1971, Nove 1971b. The first full presentation of the Barsov data awaited Millar 1974, and Ellman 1975. What was at stake? Nove disputed that the agricultural surplus could be measured at all; Millar disputed the use by Ellman (following Barsov) of rouble-values transformed into Marxian labour-values as a measure of the transfer of surplus-product.

collectivisation drive itself). This necessitated massive industrial investment in agriculture to replace lost animal draught-power and fertiliser. In addition, however unfavourable to agriculture was trade at state prices, peasants were still able to sell food and buy manufactures at highly favourable (if often semi-legal) terms of trade in town bazaars.

In Ellman's view, therefore, the undoubted sufferings experienced by the peasantry in the early years of collective farming did not reflect any contribution they were making to feed and fuel industrial development, but resulted from a series of "pure losses" (in both human and animal terms). The costs of industrial growth were born by the industrial working class, in particular by the millions which it recruited from the countryside as industrial employment expanded (Ellman 1975).

Why was collectivisation so costly? In the 1920s the agrarian strategy of the Bolsheviks was to rely on the poor peasants, to win (or at least neutralise) the middle peasants, and to isolate and squeeze out the resurgent class of kulaks. In the upshot class lines became inextricably confused. There even arose the concept of the "ideological" kulak: we are against the kulak, and he who is not a kulak but is not "for us" is just as bad as a kulak. The campaign to liquidate the kulaks as a class became one of human liquidation, and collectivisation became an arbitrary, even terroristic process imposed on the whole of the peasantry.

Some scholars have concluded that the Bolshevik agrarian strategy was misconceived because it misunderstood the class structure of the countryside.⁸ They could not isolate the kulaks because the kulaks did not possess all the objective attributes of a social class, for example stability of membership and position. Some misgivings about the latter view have focused upon the relationship between social mobility and the formation of a new class (Harrison 1977). A separate area for further work is the formation of a Stalinist conception and practice in the field of class alliances and their politics — not only as if affected in the process of collectivisation, but also as it has affected and dogmatised our perception of it.

Perhaps we have also moved towards a new assessment of the strategy of "primary socialist accumulation". Firstly, the performance of peasant agriculture in the twenties was better than we had previously assumed. Secondly, the performance of collective agriculture was rather worse. The acceleration of socialist accumulation in the thirties was not financed by agriculture.

This raises two fundamental questions. Firstly, given the need for extremely rapid industrial growth, could a small peasant agriculture have met the implied needs? Probably the dominant view would still answer this question in the negative, and is correct to do so (Cooper, Davies and Wheatcroft, n.d.). Secondly, was there an alternative strategy for the whole economy, based on Bukharinist lines — a longer

⁸ This view tends to underlie the interesting and important work of Lewin 1968. See also, in this connection, Lewin 1966. This view was stated more strongly and explicitly by Shanin 1971 and 1972. A considerable impetus has been given to this line of work by the appearance of Chayanov 1966, a translation into English of Chayanov's 1925. For discussion of the Chayanov phenomenon see footnote 5 above, and also Harrison 1975.

but less costly route to the goal of a developed socialist economy? This latter question is considered separately below.

We are also led to another question. As Szamuely (of Hungary) and Millar have separately pointed out, the Marxian notion of primary accumulation concerns the transformation of relations of production, not just the accumulation by one mode of production of the surplus product of another.⁹ The collectivisation of agriculture was a transformation of social relations, as indeed was the history of the whole economy between the wars. The question of alternative transformations cannot be answered without a political economy of these social relations. To this question, also, we return below.

II Planning the industrial transformation

Despite many difficulties and setbacks, the USSR achieved in one generation a massive industrial transformation, on a scale which had required three or more generations for the advanced capitalist countries. This was achieved by a centralised, hierarchical planning system which piled resources into the heavy industrial sectors. This was the world's first planned economy (and it later became a model for more than one other socialist country).

The conventional post-war wisdom produced a curiously dualistic assessment of this record. On one side were those who emphasised above all the chaos, arbitrariness and inefficiency of the process, often by comparison with a mythically functional equilibrium model of capitalist growth; often to a point where virtually all Soviet statistical claims had to be disbelieved because they were inconsistent with the underlying analysis—one example of this approach being that of Jasny 1961. On the other side were those few such as Dobb who, partly out of a scrupulous and later vindicated defence of some (though not all) Soviet statistical claims, partly out of a fundamental position, emphasised the regularities of Soviet industrialisation and the unprecedented advances (Dobb 1966; on the question of Soviet studies see especially pp. 261-8).

The fundamental problem which remained, however, was how to understand the gains in relation to the setbacks, and to understand the Soviet economy, in its world context, as a system which produced particular types and modes of advance, but which failed to produce others.

In the early 1960s both Hunter (in the States) and Kaser developed a concept of planning priority. In the economy there are priority sectors (heavy industry) and non-priority sectors. The operational plan assigns higher growth rates to priority sectors. However the plan is also "taut", that is, taken as a whole its goals exceed the productive possibilities of the economy. The reason for this is in order to stimulate the mobilisation of all possible resources, and to ensure that the economy

⁹ Szamuely 1974, p.41. Here in fact Szamuely refers to the views of Bukharin in 1920, when the latter was still closely associated with Preobrazhensky and the left. To one not familiar with the state of Hungarian sciences Szamuely's work contains a surprising originality and richness; its translation from the Hungarian deserves a big welcome. See also Millar, n.d.

grows at the maximum rate — that is, there is no “slack”. But in carrying out the plan, difficulties will arise because the plan as a whole cannot be achieved: for example, there will be a shortage of steel. In this case available steel is allocated to the priority sector, which fulfils or overfulfils its targets, while non-priority sectors fail to fulfil their targets (Hunter 1961, Kaser 1962. Kaser’s article is a review of Jasny 1961). Thus plan underfulfilment does occur, but in a “planned” way.

As Hunter pointed out, it was also possible for excessively “taut” plans to result in a complete breakdown of the economy (Hunter 1961).

To what extent could this explain the successes and failures of the early Five Year Plans? More recently Hunter returned to this topic with a fresh analysis of the first Five Year Plan (1928/9-32) (Hunter 1973).¹⁰ Employing the techniques of linear programming, he tried to establish whether, on the basis of the known economic situation in 1928, and the assumptions concerning technical and external conditions embodied in the plan adopted, it was possible to achieve the consumption and capital-stock targets envisaged for 1932. He found that to achieve these targets, even with the unrealistically favourable assumptions of the plan, would have required a 26% decline in personal consumption in 1929 over 1928; alternatively, with a 9% cut in consumption, the plan targets could have been met by 1936. Without a reduction in consumption the economy could not have grown at all.

In spite of some significant criticism of Hunter’s own assumptions (Davies and Wheatcroft 1975), there is little dispute over his broad conclusion, that even on the grossly optimistic assumptions of the planners, the first Five Year Plan targets were infeasible.

Was this simply a case of a “taut” plan, designed to mobilise resources and to incite the Soviet population to heroic efforts? Simultaneously with Hunter’s article appeared a varied and interesting discussion (Campbell 1973; Cohen 1973; Lewin 1973; Hunter 1973). Most of the contributors concerned themselves with the historical record of 1928-1932 (in disregard of Hunter’s perfectly correct assertion that he had examined the first Five Year Plan, not the Plan period). From this some important points were clarified.

Firstly, the targets of the plan document were infeasible not because the planners were calmly organising a “plan as propaganda” campaign to mobilise resources, but because some thought that absurdly high targets were really feasible, while others feared arrest if they did not agree.

Secondly, such over-ambitious planning had several consequences. One was a tendency towards disintegration of the planning system itself. The planning offices and Ministries concerned with priority sectors hived themselves off from the others, who were left to sink or swim as best they could (Lewin 1973).¹¹ This was far from

¹⁰ This article has been reprinted with some revision (Hunter 1976). Hunter’s work is continuing in the field of computer simulation of Soviet economic growth in the 1930s.

¹¹ This development of sectoral autarchy may explain part of the contrast between impressions of overall chaos, and of the rational organisation of rapid

any processes of rational and consecutive “planned underfulfilment” of the type previously described by Hunter. On the contrary it was a bitter struggle for survival in a political arena where the costs of failure were extremely severe.

In addition, the material achievements of this planning process must be seen in the proper light. By 1932 the heavy industrial targets had by and large been met. But the plan was curtailed at the end of this year not as a reflection of its total success, but because the economy was in serious difficulty.¹²

Planning is a social relationship which involves not only planners and politicians but also technical and managerial specialists, workers (both “free” and “forced”) and peasants. There has been fresh work on the uneasy position of the technical intelligentsia, caught between the class power which had created it and the class which it had to organise in production (Lampert n.d). But little has been added to our understanding of the development of the working class or of, say, the Stakhanov movement of the middle thirties which one writer has described as a first “economic and technical” popular movement of the new working class (Spours 1976),¹³ and which in Dobb’s view had contributed to both the success and disruption of the second Five Year Plan.

A further area to receive fresh illumination is that of the labour camps within the Soviet economy. Writing in the middle sixties Swianiewicz had interpreted the rise of the camp sector in the 1930s in terms of two factors. The first was the need to mobilise the rural underemployed into an active resource, a need met partly through the deportation of the kulaks at the end of the 1920s. The second was the fact that in conditions of acute industrial labour scarcity and a disorganised labour market, the NKVD constituted a privileged recruiter of labour for its own industrial and extractive projects — that is, it was the only employer with the power of arrest (Swianiewicz 1965). But he refrained from comment on the efficacy of the camp economy itself.

However, recent disclosures of both Medvedev and Solzhenitsyn, which have appeared in translation in English, tend to confirm that the labour camps also experienced problems of infeasible planning and “plan breakdown”, problems of economic control rather similar to those experienced in other sectors of the planned economy.¹⁴

expansion and technical advance in particular sectors. See for example Cooper n.d. (b), particularly interesting for its assessment of the serious economic burdens imposed by the threat of the coming European war; Cooper 1976, Lewis n.d., a record of the creation of a synthetic rubber industry.

¹² This is discussed in relation to Hunter’s work by Lewin 1973; a somewhat less catastrophic picture is presented by Davies n.d. (a).

¹³ Spour’s article marks the first attempt in Britain to apply Gramscian concepts to the evolution of the Soviet state.

¹⁴ Medvedev 1972, and more specifically Solzhenitsyn 1975, both contain many points of relevance. However the latter source is hardly unprejudiced. Some problems of interpretation are considered by Harrison 1976.

In summary this economy of the 1930s, which has so often been described as a “war economy”, with a highly centralised system of “command planning” and the administrative allocation of physical resources, was characterised by a series of contradictions. It is not just another matter of the contradiction between plan and reality — of course unforeseen circumstances and mistakes are inevitable. There was also the way in which the command economy itself generated the autarchic operation of particular industrial sectors. This command economy also induced chaotic disequilibria in labour markets and the markets for consumer goods (especially food), and coincided with widespread development of black markets. Moreover the operation of the economy diverted much human ingenuity from the task of economic construction to the needs of administrative survival.

All this is not to deny the major difficulties, international, demographic and technical, amid which the Soviet economy made striking gains.¹⁵ But it does raise further “fundamental” questions. Firstly, was the route pursued the most effective one under the circumstances? Barsov, for example, has suggested that the rate of planned accumulation in the early 1930s was too high; a less ambitious plan would have enabled a higher rate of growth to have been achieved (Barsov 1969, p.96). Well, let us pose it as a question. Firstly, could a different set of targets have achieved better results? Secondly, what was the influence upon this of the system of planning which emerged? A planning system is a set of social relationships. The rise of the Soviet planning system is also a transformation of social relations both at the economic, and at the political and ideological instances of society. We cannot begin to ask why the route which was followed was chosen, why a particular planning system emerged, and why it operated as it did, without raising, once again, the questions of political economy.

The question of historical alternatives

Through every upsurge and faltering of the Soviet economy, and through every crisis within the historical sciences, elements of triumphalism within Soviet historiography have persistently re-emerged. By contrast the dominant Western assessment has experienced several metamorphoses since the war.

The shared experience of the war-time alliance against military fascism lent its own triumphalism to historical work (especially of a popular character) in Britain. Stalin was seen as the leader who was clear-sighted and ruthless enough to have done “what had to be done” to preserve socialism in one country. To his personal domination was ascribed the successes of collectivisation in agriculture, and the rapidity of “forced” industrialisation. The “forcing of the pace” was seen as an integral and functional element in socialist economic development.

¹⁵ There are interesting developments in the attempt to analyse exactly which difficulties were exogenous, and beyond the control of the Soviet state; see once again Cooper, Davies and Wheatcroft, n.d. The ability of the Soviet economy to benefit from the import of Western technology in the twenties has been documented by Sutton 1968. On the reality of external constraints in the subsequent collapse of trade relations and technical agreements see Dohan 1976.

The inauguration of the Cold War translated this view into its mirror image — the preservation of socialism requires a Stalinist dictatorship, and a permanent “war economy”. If Stalin had done “what had to be done”, it was in order to preserve a totalitarian political system akin to Nazi fascism.

There simply did not exist any problematic which could have enabled us to examine the possibility of historical alternatives. To what extent was the Stalinist economic and political system integral to socialism, in general—or in one country? In what sense could one speak of different political and historical options open to the Soviet state and its people in the 1920s and 1930s?

Since then many new doors have opened. In the USSR the 20th and 22nd Congresses of the CPSU, and the discussions of the 1960s on the reform of the economic mechanism, have greatly influenced Marxist thought in the socialist countries and in the West. So have the different advances and false starts in the other socialist countries. The emergence of powerful tendencies towards a military detente between the superpowers has also served to weaken many bourgeois ideological dogmas. All this has made possible new historical work, and new assessments.

Today, relatively few writers sustain the inevitability thesis. A much more common position is the standpoint of pragmatism: one may draw up a list of the costs and benefits accruing to the Stalinist strategy of economic development, and leave assessment to the reader.¹⁶ In characterising this pragmatism, I do not dispute the very great contribution to historical understanding made by many who adopt it. Nevertheless this pragmatism reflects a failure of bourgeois economics in the post war period.

Firstly, such pragmatism is inherently relativistic. To define the costs and benefits of the Stalinist economic strategy, it is necessary to define an alternative “scenario” of development. But which alternative? Suppose the October revolution had never happened: would Russia today be another peripheral agrarian-fascist regime — or would it be Europe’s economic miracle? Suppose not Stalin but Bukharin, or Trotsky, had succeeded to the Bolshevik leadership: would they have been compelled to follow the same road — perhaps with a more or less human face? Were there, in fact, real political options?

One cannot deny the endless demagogic possibilities of this or that alternative. As Carr reminded us, those who ask what might have happened in the absence of the October revolution usually do so because they regret its failure not to have happened (Carr 1964, pp.96-7).

Secondly, however, such questions cannot be denied meaning. What is important is to situate them politically. The failure of pragmatism, in this sense is to see the evolution of the state and of planning in terms of “economic policy”, rather than of political economy. The victory of one economic strategy over another is not

¹⁶ For example Wilber 1969, pp.109-133, Gregory and Stuart 1974, pp.442-446, Nove 1975, pp.109-113. In other respects all these are excellent and interesting works, though Wilber’s is now very dated. Gregory and Stuart’s is one of the best modern text books.

just the outcome of a process of policy choice. It also means the political defeat of one bloc of forces, the defeat of its programme, its ideology and consciousness, at the hands of the victors. The concept of historical alternatives must therefore be founded in analysis of the material forces which were in fact contending for power.

At the same time this must always be a logical exercise rather than an attempt to rewrite an alternative history. From this point of view, one of the most significant developments recently has been the attempt to recover historically the programmatic alternatives associated with Bukharin. As well as Cohen's political biography, there is also Lewin's attempt to trace the continuities from Bukharin, defeated in the 1920s, to the revival of alternative economic concepts in the 1960s (Cohen 1974; Lewin 1974). The significance of this work (as well as of his own) is best summed up by Szamuely in the conclusion to his monograph:

The familiar course of history has not proceeded along this (Bukharin's: MH) lengthier way of socialist construction but has implemented a shorter though more expensive solution. Later generations are no longer in a position to revise or invalidate the once realised choice of historical alternatives: these are unalterable facts. But, simply because they happened thus, because of their being facts, these decisions are fixed in the consciousness of later generations as necessary, even as the only possible solutions; and when, in new situations, some similar alternatives have to be decided between, ready-made solutions may have a powerful retrograde impact — if we do not exactly know the substance of the original alternatives and the decisive circumstances of the historical choice (Szamuely 1974, p.109).

Political economy and the fetishism of forms

One of the most famous Marxist conceptions is that the fetishism of commodities, arising within capitalist production, makes necessary the political economy of capitalism. In the capitalist mode of production social relations between people appear as exchange relations between things. To penetrate this surface layer of social reality requires a scientific, materialist approach, the approach of Marxist political economy.

A corollary, generally accepted by Soviet Marxists in the 1920s, was that under socialism social relations would for the first time be nakedly visible to human experience. Socialism would bring the abolition of money forms, of commodity production and trade; the law of value would be displaced by planning. The need for a scientific political economy would disappear, its place taken by politics and political choice.¹⁷

Looking back, this view can now be seen as an idealisation of what Engels termed "barrack socialism", of a naturalised, militarised and autarkic economy, which willingly found its first model in the Soviet economy of War Communism —

¹⁷ Curiously enough, Marxists were aided and abetted in this theoretical abstraction by some bourgeois economists who chose to continue work in the Soviet Union. See for example A.V. Chayanov 1921.

the battle for survival in the civil war of 1918-1921.¹⁸ This view was also part of the ideological formation of the Stalin period, of the first Five Year Plan and of Stalinist “political economy”.¹⁹

A further attribute of this “political” economy, also noted by Szamuely, was the reactionary notion that the consciousness of the masses, dulled by their experience of fetishised capitalist relations, must be replaced by the organising consciousness of the socialist state (Szamuely 1974, p.32).

At the roots of this ideology can be identified a fetishism of the bureaucratic state and of command planning. Seeing the masses as the passive instruments of a dominant state, it could not comprehend the phenomena of spontaneous activity of the sections and classes of Soviet society — of mass resistance to collectivisation; of mass demoralisation (reflected in high rates of labour turnover, absenteeism and industrial accidents) in the early thirties; of widespread participation in semi-legal and illegal trade; of mass involvement both in the euphoric utopianism of voluntaristic planning, and in all kinds of administrative stratagems to distance each individual or group from the immediate consequences of voluntarism. Or at least, these phenomena could only be comprehended as the survival of petit-bourgeois tendencies, the work of class enemies and of foreign agents.

All this stood for the failure of a society to understand its own experience of social transformation from which, instead, were created new fetishes.

At the same time a Marxist sub-current has persisted, based upon the persistence of commodity forms under socialism, which recognised the possibility of different forms of socialist property and of state planning; which possessed a critique of the bureaucratic state, but not of commodity forms. In the pre-war period this sub-current was incorporated politically in the tradition of Bukharin, and academically in the Lange-Lerner school of “market socialism”.

This latter tradition is much stronger today than ever before. It has played an important and progressive role in the USSR in the post-Stalin debates on economic reform (Lewin 1974; Ellman 1973, especially pp.134- 175). Because of its lack of a critique of markets, however, in the West this tradition has been partly absorbed into the conventional pragmatism.

Thus for most Anglo-American students of the Soviet economy, the question of economic reform is still an essay on pragmatism. Given the “social parameters” for and against change, given the strengths and weaknesses of “commandism” and “market” solutions, which option will improve the growth of the Soviet national product? The partial failure of the Bukharinist political economy is reflected in another type of reductionism: the persistent reduction of questions of the

¹⁸ This is the main theme of Szamuely 1974.

¹⁹ Some stages and levels in these developments are considered by Davies n.d. (b). But there are still primitive survivals of the old political economy, even in Britain: see for example Ticktin 1974, a reply to Selucky 1974.

development of socialist social relations to a matter of the physical increase in production.²⁰

Sixty years after the October revolution it is clear that socialist societies generate their own ideological formations; that socialist relations of production, and the relationship between state and society are problematic rather than automatically constituted and nakedly visible, and that is why we need a political economy of socialism.

The possibility of progress today exists at two levels. Firstly the historical work described above strongly challenged the idea of the functionality and inevitability of the bureaucratically organised “war economy” of socialism. Secondly, in trying to tackle the modern Soviet and East European reality, a handful of writers has sought to establish a critique of both the bureaucratic state and commodity forms under socialism.²¹

This integration — and critique — of the two traditions can be seen as a first stage of renewal of the political economy of socialism.

Probably the most coherent contribution has been that of the Polish economist Brus (now in emigration in Britain). At one level he has restated the necessity of a correct integration of plan and market (rather than of opposition between them).²² But this has been said by others and is not new. More importantly, he has re-established the notion of socialism as a process of development, in which the relations between state and society are constantly being transformed.²³

On the one hand it is necessary to establish the proper scope and limits, in each historical situation, of local, enterprise and trade union autonomy within the planning framework. On the other hand it is equally necessary to ensure the proper mass-democratic control over the state and planning itself.

Thus the transformation of socialist social relations consists not only of one moment — the moment of nationalisation and the creation of state property — but of a process of socialisation of the means of production.²⁴ It can be argued that the

²⁰ The relationship between the development of the productive forces and the qualitative changes in social relations has received considerable attention in the Soviet Union since the war. This field is thoroughly surveyed in Cooper n.d. (a).

²¹ See Ellman 1973. A number of important essays by Maurice Dobb provided an essential background to this development, for example his 1970, 1975 and his last essay, published after his death, 1976. See also Brus, 1972, 1973, 1975.

²² See for example Brus, “Some General Problems of Decentralization in a Socialist Planned Economy” and “Economic Calculus and Political Decision” (the latter was first published in Warsaw) in Brus 1973.

²³ Brus, “Commodity Fetishism and Socialism” in Brus 1973, is an essay to which the present author would like to acknowledge a special debt.

²⁴ There seems to be more than formal similarity between Brus’s idea of the “socialisation” of state property, and the Gramscian notion of the “civilisation” of the state in socialist society.

form of “command” planning and centralised state ownership is only one crude, primitive form of social ownership. The fetishism of this form, born historically in the conditions of “socialism in one country”, retards the development of mass creativity, or diverts it into dysfunctional channels. It also retards our historical understanding of the evolution of the Soviet economy.

But the relationship between central planning and autonomous creative forces cannot be solved independently of control over the plan itself. No matter how great is the national product, sectional autonomy or consumer choice, they will not suffice to develop socialist society to new and higher levels without democratic control over the centre.

Finally, behind these two political economies stand two opposing programmes for working class power. According to the version shared by Stalinists and Trotskyists, the power of the working class is posed primarily at the level of the coercive, political state and law, of “commanding heights” in the “war economy”. In the version belonging to the Bukharin tradition, class power is posed in terms of a democratic alliance of popular forces which is based first and foremost in civil society but which has, of course, expression at the level of the state.

Conclusion

In the last decade a significant transition has occurred. In the fields both of theory and of knowledge (and both are essential to learning from history) we have seen many important advances. Still they are only a beginning. A Cold War mentality persists in many other areas of Soviet studies in Britain and the United States, from literature to strategic studies. There are also problems of finance, as well as the usual question of access to primary archival materials, although there are now many established research links with Soviet institutions.

Another problem is that to develop Marxist ideas requires Marxists. In Britain, for example, there are only two Communists engaged in research on the Soviet economy, past or present. But in a wider sense Marxist scholars in Britain (I cannot speak for the USA) have new organisations and journals with which to confront our new possibilities.²⁵

So the real work still lies ahead. One of its most vital components must be a great awareness of new work in other countries. Both American and Soviet scholarship are having an important impact in Britain today. For American publications the time-lag is, of course, rather brief. But it takes up to five years for major Soviet works to have their full impact in Britain, even at the highest academic

²⁵ The traditional organisation of Soviet scholarship in Britain is the National Association of Soviet and East European Studies, with its own journal *Soviet Studies* published in Glasgow. At the end of the 1960s the Conference of Radical Scholars of Soviet and East European Studies was established (also in Glasgow), and publishes a journal called *Critique* which has contained much interesting material (although practically nothing on economic history). Most recently the Communist Party of Great Britain, through its new Committee for Study of the European Socialist Countries, has started to publish a slim journal, *Socialist Europe*, of which two issues have appeared at time of writing.

levels (I will not speculate on the time-lag which operates in the opposite direction). Most of us barely know the names, let alone the writings of the major scholars in France, Holland, the FRG or Italy. Therefore I hope that we in Britain will also play our part in remedying this situation.

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