

# Stalinism—its Nature and Role

Hillel Ticktin

*This article tries to answer the question of why Stalinism lasted as long as it did and why it was so brutal and vicious. It argues that Stalinism was not born of Leninism and that there is no reason to believe that attempts to go to a utopia or to a better society will automatically lead to the kind of barbarism seen in the Stalinism of the Soviet Union, China or Cambodia. Instead it takes the view that the Soviet Union was thrown into a void upon Stalin's seizure of power in that there was no way the new bureaucratic rulers could build a new noncapitalist, nonsocialist society. Capitalism itself was and is in decline and so in transition towards a new society-socialism. The Stalinist USSR was part of that transitional world without having the elements of that transition. Transition within capitalism implies the existence of the elements of the old society, the law of value in the case of capitalism, aspects of decline, like finance capital, and increasing socialization of production which interact and conflict, with the market still crucial. In the case of the USSR there was no law of value, or the market, and its attempt at bureaucratic 'planning' could not succeed given the opposition of the population and consequent low productivity. The result was that no attempt to run the economy could succeed in the medium to long term, and the effect was to make the 'system' inherently irrational, which drove its managerial apparatus to increasingly irrational acts, like the purges. The uncertainty and fear that was perpetuated by a society living in a void in history provides the background to explaining the mass killing, cruelty and viciousness that distinguished Stalinist society.*

*Keywords: transition; Stalinism; irrationality; planning; law of value; void in history*

## Introduction

It is now 20 years since the USSR came to an end. It is fitting that *Critique* has an issue discussing the premise on which it was founded. There are remnants of Stalinism today, in a number of countries, in Stalinist parties and among some who, amazingly enough, revere Stalin. Most important of all, its effects continue to influence people's lives. The Purges in the Soviet Union destroyed a generation of revolutionaries and Soviet military leaders, as well as millions of people, whose descendants and families are still affected. The millions killed in the Soviet Union,

China and Cambodia are a testament to the counter-revolutionary role of Stalinism itself, to the total inhumanity of the doctrine and practice of ‘socialism in one country’. The cruelty, the torture, the killing, the incarceration, the socially induced famines were in their totality even worse than the misery inflicted by Nazi Germany, if one were able to compare the misery of humanity. There is an argument that the Nazis would not have come to power without Stalinism, and certainly would not have had the opportunity had there been a genuine Marxist party in Germany. One might conclude that the Second World War might have been avoided without the role of Stalinism. These themes have been taken up many times; neither do they lose their importance over the years. This paper concentrates on the effect on the left, on Marxists and Marxism, and on attempts to explain why Stalinism took the particularly destructive course that it did. The standard explanation provided in the textbooks, that it was caused by the one-party state, by Stalin’s evil nature, and so on, might suffice for an ‘ordinary’ dictatorship, but it fails to provide any understanding of what has been called ‘totalitarianism’.

The very misery caused by Stalinism, its irrationality and its absurd doctrine have so tainted socialism that the need to replace a declining, increasingly irrational and malfunctioning capitalism has been set back at least a century. In the long run, this has been an inestimable service to capital and helps to provide a key to understanding its nature.

### **What is Stalinism? A Summary**

The term originates with the Left Opposition in the USSR in its struggle with Stalin and Stalinism, and the word lived a nether life in the anti-Stalinist far left until the end of the Soviet Union itself. The pejorative nature of the word Stalinism prevented those less critical of the USSR from using it to describe the USSR, but once it had ceased to exist, most lost their reticence. At the same time, those on the right who would not use ‘Stalinism’ because they feared being associated with non-Stalinist leftists also accepted the word. The few who refuse to use the word are usually Stalinists or former Stalinists who are reluctant to accept its history, even though it has lost its association with its origins.

The words ‘Stalinism’ and ‘Stalinist’ have become generally accepted in ordinary parlance as a description of the USSR, and by extension as a characterization of the communist parties associated with the period in the USSR after Stalin assumed power. Stalinism, therefore, refers to the ideology and system associated with the period of the USSR after the death of Lenin, and its associated or derivative communist parties. In this definition, it includes today, for instance, Maoism, the Chinese Communist Party, Castroism and such communist parties as derive from the Cominform. These communist parties usually pay tribute to Stalin and/or Mao, even though they might also have limited criticisms, and support the market.

The highly conflicted nature of Stalinism is intrinsic. A recent article in the *Financial Times* described the Communist Party of China in these terms: ‘With more than 80 m members, it [the Communist Party of China] is the world’s largest political

organization. In spite of its insistence that it remains true to its Marxist–Leninist, Maoist heritage, though, it is perhaps better described as the world’s largest chamber of commerce.<sup>1</sup> Although it is clear that Stalinism in its post-Maoist form is not identical to its origins in the early Soviet Union, it is not difficult to see that the early bureaucratic elite would have preferred to go this way, if they had had the alternative. There is, therefore, a continuity running into what has been called market-Stalinism.

Stalinism embraces a series of features of which people usually fasten on one. They think of the super-police, one-party, state, the crushing, stifling bureaucracy ruling in its own interest, or Russian/Soviet nationalism. They sometimes express the irrational, chaotic, conflicted nature of Stalinism if they come from the Soviet Union itself. Newspapers in the United States and the UK talk of the ideology, and indoctrination, whereas in the East they are less concerned with indoctrination than the absence of free speech or self-expression and the bombardment with muddled apologetics from above. They often talk about the poor state of the economy, which is visibly less efficient than capitalism, so rehabilitating capitalism for the intelligentsia. However, the usual reference is to the one-party state.

Supporters of Stalinism, from the 1920s to the 1970s, used to argue that its economy was planned and hence both theoretically and in practice superior to capitalism. Many of the most influential propagandists for socialism accepted that position.<sup>2</sup> That viewpoint, which was never correct, is now seldom encountered. Today it is accepted that to call the USSR planned is to damn planning, and that Soviet statistics, particularly of the 1930s left much to be desired.

For a Marxist, Stalinism incorporates a series of these features. There was the atomization, a police-state so powerful that collective resistance was impossible, where no-one could stand out against the secret police. There was the destruction of Marxism, and Marxists; the annihilation of socialism itself both in theory in practice, and the mass killing of millions. At its base there was an economy that was a step backwards in that its productivity was below that of capitalism. Its justification never could make sense, which was why indoctrination was impossible. This article will try to argue that all these aspects are tightly interlinked and subordinated to the nature of a regime ruled by a ‘bureaucratic ruling group’ within a unviable structure.

The source and nature of Stalinism has to be located in the nature of the period, the transition between capitalism and socialism, and in the failed attempt to make that transition. In any transition period, the society is in a process of rapid change, and everything appears contradictory, ambiguous and conflicted. Institutions, classes,

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<sup>1</sup> ft.com: Jamil Anderlini: ‘Analysis’ “China’s political anniversary: a long cycle nears its end” *Financial Times*, 1 July 2011, <http://www.ft.com/cms/s/0/acebc234-a421-11e0-8b4f-00144feabdc0.html#ixzz1QtMTDnVQ> (accessed 1 July 2011).

<sup>2</sup> See for instance Leo Huberman’s book: *Man’s Worldly Goods* (New York: Monthly Review Press, 1952), where he explicitly contrasts the ‘planned’ USSR with the depression-era United States. Paul Baran in his *Political Economy of Growth* (New York: Monthly Review Press, 1957), is less uncritical but has the same attitude. He speaks of ‘the beginning of comprehensive socialist planning’, in the USSR, p. 281. The impact of these two books on the left cannot be overestimated. Huberman’s book became a best seller in Japan. The Monthly Review school, dominated by Paul Sweezy, became critical of the USSR and supported Mao.

thought and culture are all part of this process. If this is true of all modern society, Soviet society incorporated the depth of this transformative period to an extraordinary degree precisely because it was a dead-end, and one that did not permit and destroyed any open discussion. It is also true that Russia itself was in a species of transition to capitalism from the time of Ivan the Great down to the overthrow of the autocracy in 1917. Trotsky called it a semi-Asiatic mode of production.

One description of Stalinist society in relation to its greatest composer, Shostakovich, brings out the colour of its life:

The Shostakovich we can identify from the evidence personified a kind of existential irony—in doing so he spoke to, and for, millions of Russians. In that sense, his music is the secret memoir of a people, as the title of Lesser's book suggests. Shostakovich counts among his weapons parody and satire, carnival and grotesque. But what matters is that the music itself, as Fanning writes, 'liberates itself from the shackles of its context'. We who now listen to Shostakovich in the 21st century can liberate the music from the various political claims on it, and set it in our own time, with all its ambiguities, persecutions and absurdities—the composer's laughter no less bitter, or cogent.<sup>3</sup>

This statement by the reviewer Ed Vuillamy captures two things, the individualist, contradictory and underground nature of the opposition, but also and crucially the conflicted and highly contradictory nature of a system that is not a full socio-economic system but has elements of it. The tragedy of the Soviet Union was all the more profound in that the reference to 'ambiguities, persecution and absurdities' applied to pre-revolutionary Russia. Great writers like Gogol were able to bring them out and turn them into comedy.

Stalinism arose from the defeat of the October revolution, and hence it became, albeit by default, the chief strategy of capitalism itself. Stalin and the Stalinists did not understand, and could not have understood, their role, although the more clear-sighted and class-conscious elements of the capitalist class did. From this point of view, the rise of the Stalinists was the coming to power of a bureaucratic group, which has been given various titles from elite through class to caste, that ruled in its own interests. It was Trotsky who first put forward this thesis and elaborated it. Stalinism was the policy, ideology and the social system consequent on the rise to power of the new bureaucratic 'elite', based on nationalized property. Through the Cold War it became part of a global system that it rendered relatively stable. For those on the anti-Stalinist left, Stalinism is the reason why socialism has been held back. Stalinism is the force that has held the world in a capitalist, if transitional, stasis. It is, in itself, a monstrous and murderous face of the antithesis to socialism. The one-party state is a consequence of its nature, rather than being its essence, which lies in its political economy.

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<sup>3</sup> Ed Vuillamy: 'Shostakovich and His Fifteen Quartets by Wendy Lesser—Review', *guardian.co.uk*, Wednesday 22 June 2011, <http://www.guardian.co.uk/books/2011/jun/22/shostakovich-quartets-wendy-lesser-review> (accessed 26 June 2011), and *Guardian, Review*, 25 June 2011.

The almost complete pollution and total undermining of Marxism by Stalinism must be regarded, in its own terms, as one of its greatest achievements, looked at from the side of the proponents of capitalism. As Marxism provides the only theoretical basis for understanding modern exploitation and oppression, and its alternative, socialism, Stalinism effectively prevented the development of a genuine mass movement against capitalism.

Looked at from a distance of 20 years, we can also regard Stalinism as a process that destroyed the opposition to the various forms of oppression and exploitation within capitalism the world over. It killed millions directly and even more millions indirectly. They died in the economic wars conducted by the regimes in the Soviet Union, China and Cambodia; they died in purges; and finally, they died in the Second World War, where Stalin's disastrous leadership caused whole armies to be killed. It was a war that might never have taken place had Stalinism not paved the way for Hitler in Germany.

It remains the task of the left to cleanse itself of the aspects of Stalinism that remain and revive Marxism, so that it is clearly separated from and opposed in all its depth to Stalinism. Twenty years after the demise of the Soviet Union, that task has yet to be completed. It is not clear if it has even been started.

### **The Origins of Stalinism**

The origins of Stalinism are important in discussing its nature. When looking at the origins, the important questions are limited to three. Firstly, there is the question of whether it was inevitable given its origins. Then the issue becomes, secondly, whether those origins are bound to be repeated, given any attempt to overthrow capitalism. Bound up with the origins is the question of why Stalinism took such an irrational, and murderous, form.

In regard to the first question, we have a series of schools of thought. The post-war totalitarian school, with scholars like Hugh Seton-Watson in the UK and Pipes in the United States, effectively took the view that the Bolsheviks were undemocratic and took power undemocratically, so that Stalin was a likely outcome, given the nature of the regime imposed on a recalcitrant population. Given the fact that these totalitarians supported capitalism and therefore the market as the best, or least worst, system in the world, their viewpoint was superficial and cut little ice among scholars more critical of the status quo, East and West. The real alternative to Lenin/Trotsky was on the right, like Kornilov, and the Generals in the Civil War, who were no more democratic. The massacre of some 70,000 Jews in the Civil War by the right shows the nature of the right itself. The constituent assembly was too weak to govern. This does not contradict their line, but it argues that the nature of the regime that came to power had a lot to do with the circumstances that led to them succeeding in taking power. The implication is that the contrast between Lenin's State and Revolution and Soviet reality was not one of hypocrisy but force of circumstances. Lenin and Trotsky never justified the lack of democracy as permanent or as part of socialism.

At this point, the implicit or explicit totalitarian argument becomes based on the view that it is human nature to love the exercise of power. In spite of attempts to try and show that Lenin and Trotsky loved power and money, the evidence is to the contrary. Given the extraordinary talents shown by both of them, they clearly would have done much better taking a more conventional road, rather than the hazardous one they actually took. In other words, other factors have to explain the rise of a much more vicious regime under Stalin. Whatever happened down to 1923, the later period was infinitely worse.

If Stalinism grew out of Leninism or out of the Soviet regime down to 1923, as a necessary outcome, as opposed to one possible outcome, negating the original socialist intentions, then Stalinism will continue to revive as new attempts are made to overthrow capitalism. It might be said that, as long as the attempts are democratic, then Stalinism will not rear its head, but there is always the possibility that there will be a period in which capital refuses to yield and uses undemocratic forms, which in turn induce the socialist opposition to do the same in order to survive. As modern parliamentary forms are imperfect forms of democracy that are themselves showing signs of strain, this is not an implausible scenario.

In short, the post-war totalitarian argument is shallow. Quite clearly it is not based on a socio-economic theory of society or on a study of socio-political history. Still less does it derive from any critique of modern society. Its strength derived from a correct empirical analysis at a time when such left as there was tended to be weak in criticizing the USSR.

In more modern times, it is also argued that any attempt to radically reform capitalism is bound to fail, and Stalinism has proved it. It is said that the movements of the last century that were intended to make society not only more humane, more just and more egalitarian, but also more participatory, ended doing the opposite.<sup>4</sup> The very idea that all take part in different ways at some time of their life in administration, in making decisions, and that all should have the opportunity to develop their talents to the full leads to a dictatorship, it is argued. The proud Communist demand 'from each according to their abilities, to each according to their needs' is impossible to fulfil, because human nature is fundamentally flawed, or so the defenders of the status quo maintain. Stalinism from this viewpoint is proof that human nature as it has evolved over the centuries is necessarily violent, competitive and anti-social or individualist, and a free market capitalism is the necessary antidote. Central planning, based on nationalization of the means of production, provides the rulers with unlimited power and abuse is inevitable, according to them.

This article cannot, by itself, prove that the market is undemocratic, inefficient and inhuman, but it will argue that Stalinism is one of the Frankenstein monsters that has been spawned by its decline. The question is not whether capitalism can be changed, as it is changing in any case, but whether that change can be brought about without

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<sup>4</sup> Martin Amis, *Koba the Dread, Laughter and the Twenty Millions* (London: Vintage, 2003).

any more Frankenstein monsters. Martin Amis's book<sup>5</sup> tries to make the point that any well-meaning attempt to change will end up producing the equivalent of Stalinism. Yet, there is no evidence to this effect, if one examines the causes of Stalinism, and he does not make an attempt to provide it. He simply makes a series of assertions to that effect. His own argument is an advance on the standard arguments that take the simplistic view that the Bolshevik Party was totalitarian and so led to Stalin. He goes further by extending the reasons for Stalinism to utopianism. It is an advance in that he is implicitly accepting a critique of capitalism, but saying, in the best case, that any change is certain to be so difficult that it risks falling into a void, like Stalinism. Christopher Hitchens appears to agree in a back-handed way with his friend Martin Amis: 'If it matters, I now agree with him that perfectionism and messianism are the chief and most lethal of our foes. But I can't quite write as if a major twentieth-century tragedy had been enacted to prove that I was correct in the first place'.<sup>6</sup>

From the totalitarian point of view, Stalinism appears as accidental, unlike the Amis viewpoint, caused by the undemocratic manner in which the Bolshevik Party seized power. The spectrum of support for this view includes the far left, even if the interpretations are different from those of the right. The alternatives often cited are those of Kautsky, who stood for a social-democratic taking of power in elections, Luxemburg, who criticized Lenin, and a variety of socialists and Marxists. In recent times, we have a series of empirical works like that of Simon Pirani, who has documented the undemocratic nature of the system under Lenin.<sup>7</sup> The need for an institutionally democratic structure is implicit. Sam Farber supports Pirani's work, arguing that an alternative, more democratic regime was possible immediately after the revolution.<sup>8</sup>

It is abundantly clear from this work as well as many others that the period of the First World War, the Civil War and the immediate aftermath provided the background for a dictatorial form, whatever the regime. The question is not whether there was an undemocratic regime, since that is manifest, but whether there was an alternative. Had the right taken power in 1917, there would have been a

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<sup>5</sup> Ibid.

<sup>6</sup> Christopher Hitchens, 'Lightness at Midnight, Stalinism without Irony', *The Atlantic*, September 2002, <http://www.theatlantic.com/past/docs/issues/2002/09/hitchens.htm> (accessed 21 August 2011).

<sup>7</sup> Simon Pirani, *The Russian Revolution in Retreat, 1920–24: Soviet Workers and the New Communist Elite* (Abingdon: Routledge, 2008).

<sup>8</sup> He rightly points out that: 'The "totalitarian" school of thought, historically associated with the political right and with many liberals, has held that there are no qualitative differences between the two regimes [of Lenin and Stalin] and that the main source of Stalinism was the Bolshevik ideology and politics that existed before the October Revolution.'

'Going a step further, thinkers such as the philosopher Karl Popper, and contemporary East European liberals such as Adam Michnik have contended that totalitarianism is the inevitable end result of any uncompromising ideology and political practice that attempts to reshape society as a whole'. He then goes on to support Pirani and argue that his own work demonstrated another, democratic, alternative at the time, an alternative implicit in the work of Pirani. Sam Farber, 'The Russian Revolution in Retreat', *Against the Current*, 136 (September–October 2008), <http://www.solidarity-us.org/node/1890>

bloodbath, under Kornilov or another strong figure, a point frequently made, including by Christopher Hitchens, quoted above. The Constituent Assembly was too weak to fulfil its functions, as shown by its rapid dissolution. Pirani and Sam Farber are trying to argue that a democratic socialist-led alternative was possible, under conditions of overwhelming socialist weakness in the post-civil war period and the enmity of the Great Powers.

In any event, the taking of power was a gamble that failed, because it was predicated on socialists taking power in Germany. Lenin and Trotsky did not conceive of the Soviet Union building socialism by itself. Trotsky actually justifies the taking of power on the grounds that there was no alternative given the circumstances of the First World War.<sup>9</sup>

The Pirani–Farber alternative is a modern and stronger continuation of the Menshevik- and Bolshevik-opponentist standpoint of the 1920s. I have argued in some detail with Pirani elsewhere.<sup>10</sup>

### Comparison of Stalinist Forms

If we confine ourselves to the classical forms where a bureaucratic apparatus ruled over a nationalized and organized economy, with a more or less atomized work force, the dynamic that impelled the regime to go for a form of purges and ‘a failed great leap forward’ with an accompanying famine has been inadequately explained, as opposed to being empirically explored. While it is possible to show a particular empirical-historical drive in that direction, the imperative involved is worth exploring. The classical forms are those of the USSR and China, where the ruling group saw itself as isolated in the world economy, and so having to establish a separate and individual viable economy. Cambodia fitted into this category as well, and took a unique solution, which nonetheless might be made to fit the pattern in its rational irrationality; however, that requires specialized knowledge that I do not possess.

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<sup>9</sup> ‘If we take the viewpoint of isolated historical possibilities, one might say that it would have been more painless if the Constituent Assembly had worked for a year or two, had finally discredited the Socialist-Revolutionaries and the Mensheviks by their connection with the Cadets, and had thereby led to the formal majority of the Bolsheviks, showing the masses that in reality only two forces existed: the revolutionary proletariat, led by the Communists, and the counter-revolutionary democracy, headed by the generals and the admirals. But the point is that the pulse of the internal relations of the revolution was beating not at all in time with the pulse of the development of its external relations. If our party had thrown all responsibility on to the objective formula of “the course of events” the development of military operations might have forestalled us. German imperialism might have seized Petrograd, the evacuation of which the Kerensky government had already begun. The fall of Petrograd would at that time have meant a death-blow to the proletariat, for all the best forces of the revolution were concentrated there, in the Baltic Fleet and in the Red capital’. Leon Trotsky, *Terrorism or Communism*, Chapter 3, ‘Democracy, Either Democracy or War’, <http://www.marxists.org/archive/trotsky/1920/terrcomm/ch03.htm>

<sup>10</sup> ‘Gambling on the World Revolution, Hillel Ticktin Reviews Simon Pirani’s *The Russian Revolution in Retreat, 1920–24: Soviet Workers and the New Communist elite* (Bases/Routledge series, Russian and East European Studies, 2008, pp. 312)’, *Weekly Worker*, 750, 18 December 2008.

'A vision of promised abundance not only motivated one of the most deadly mass killings of human history, but also inflicted unprecedented damage on agriculture, trade, industry and transportation'.<sup>11</sup> Such is the verdict of one scholar, speaking of the 'Great Leap Forward' in China in the period 1958–1962. This sentence could have been written of the USSR in the period 1929–1933, and of Cambodia under Pol Pot. Stalin and Mao remained convinced, however cynically, that they were driving towards socialism, and the world was inevitably moving in that direction, and that meant a society of abundance and the abolition of oppression and exploitation. They were equally convinced that they and the bureaucrats around them were the instruments of such deliverance, as opposed to a party, government or society in which there was control from below, where there was consultation, elections, discussion and agreement by voting or consensus. It was not, of course, a question of one man simply imposing his will on the bureaucratic apparatus around him. The bureaucrats carried out the orders, and indeed dreamed them up, even though they were often incarcerated and executed themselves. Liberal accounts of the events assume, imply or openly canvass the view that the people involved were themselves evil, or tolerant of evil, and they were imprisoned by an doctrine that was either evil or led implacably to these events. It is not difficult to show how one resolution led to another. Stalin's populist resolution of the scissors crisis in 1923–1924 led to the goods famine, and that to confiscation of grain and so to collectivization. The fact that a parallel disaster occurred in China shows that there is a dynamic involved independent of the individuals and of the doctrine, Marxism or Socialism, blamed by the above writer. Both Stalin and Mao had little knowledge or understanding of Marxism, as is evident from their writings. At most they had a vulgarized form of Marxism. The actual evolution of the society stood in direct contrast to what socialists had stood for, and logically you would expect that socialists would have halted the process as it was evolving. We have, therefore, to look elsewhere to explain the dynamic.

### **Why did Otherwise Rational People End Up Murdering Millions?**

While one can argue that Stalin was a psychopath, and Molotov a plodding idiot, this was not true of most of the next level of bureaucrats. After 1936–1937, the total power of the secret police and the political–economic atomization of society made resistance impossible. While that was true of any individual, one is still left wondering why Tukhachevsky, for instance, could not see what was coming, and why he and his fellow officers did not resist, even if only as an example. In other words, why did the military succumb so easily? For that matter, why did the NKVD (the acronym of the secret police at the time of the purges) accept the purge that was its lot?

There are two answers at this point. The first remains true today. There appeared to be no alternative. Bukharin, when asked by Nicolaevsky why he did not stay in the West, effectively replied that there was no future for him, as a socialist, in

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<sup>11</sup> Frank Dikötter, *Mao's Great Famine* (London: Bloomsbury, 2011), p. xiii.

the West.<sup>12</sup> In other words, the depth of the Stalinist failure was not apparent, even to those who ought to have known or understood. This is different from taking a negative view of Stalin and Stalinism. The alternative had not been sketched out. Even Trotsky, who was highly critical of the USSR under Stalin, still thought that the nationalization/planning of the USSR was worth defending. He could not be blamed as he could not have known the depths to which the USSR had sunk. Tukhachevsky had been close to Trotsky in the early years of the revolution and he was duly purged by Stalin in the army purge of this period, but one would have thought that he might have anticipated Stalin's actions and acted to forestall them. The fact that no one actually did anything directly to stop Stalin, although they could have, allowed Stalin to take power and keep power. Trotsky himself refused to take power, as is well known, and he justified this on the grounds that he could only assume power democratically. The problem for Marxists and revolutionaries was that they often still saw the regime as a revolutionary one, rather than a counter-revolutionary structure. The second reason has to do with the nature of the Stalinist system itself. Because the Soviet Union was internally conflicted, it was in the most profound sense irrational. There were no solutions within the Stalinist context, but there was no other context. That left the Soviet opposition without an opposition organization or opposition programme aside from that of the Left Opposition and Trotsky. That was why Stalin and Stalinism continued and continue to characterize Trotsky as the regime's worst enemy. As he was the embodiment of the ideals and the practice of the October Revolution and Stalinism based its legitimacy on being its successor, while being its negation, he had to be powerfully demonized. It was done so successfully that to this day those influenced by Stalinism have an emotional antipathy to Trotsky and Trotskyism. An individual in that situation could see no way out.

Looked at from the point of view of officials who wanted to act in some way rather than resign, flee to the provinces or disappear, irrational solutions appeared rational. If orders were not carried out because the system negated them, then the system could not be changed, but those executing the orders could be replaced. If the replacements were no better then the chain of command could be further pruned and more people purged. People became dispensable. The aim was the survival of the system, which was itself not really a system either, and hence its political economy was necessarily defective. Just as orthodox economics devalues human labour as on a par with land and capital, so Stalinism subordinated life to the bureaucratic apparatus, as the embodiment of the Stalinist system. By the time of the Second World War, the bureaucratic apparatus had been thoroughly purged, leaving only Stalin with a few sycophants in command. It was more dictatorial than Nazi Germany, as well as more deeply atomized. No economy can be effectively run

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<sup>12</sup> Boris Nikolaevsky, *Power and the Soviet Elite, The Letter of an old Bolshevik and Other Essays*, edited by Janet D. Zagoria (New York: Frederick Praeger, 1965). The reliability of Nikolaevsky's report is a matter of dispute (see Andre Liebich's review, 'I am the Last: Memories of Bukharin in Paris', *Slavic Review*, 4 (1992), pp. 76–78. However, the fact is that Bukharin returned to the USSR with his wife, which has to be explained, given what the USSR was like.

with one person or a few people in charge, but a society with nationalized property that needs to be planned can only end up a caricature of what is required, in the very best case. In the worst case, it resembles an enraged bull charging at whatever is in its way and in so doing destroying itself.

The imperative to catch up with and overtake the West is built into the concept of socialism in one country in that the regime has to provide its inhabitants with a rising standard of living, competitive with the West, in order to be viable for as long as possible. However, the goal was unattainable, and was transmuted first into the need to have a modern economy and then simply into a rising standard of living. The nominal goal of abundance remained in the Soviet Union in that Khrushchev's Party Programme of 1961 included a reference to it being reached in 20 years. It also remains crucial to the contemporary development of China.

### **Stalinist Misinformation and Negative Influence on the Left**

In this respect, two observations are necessary. The first concerns the information and analysis available on the nature of these governments/countries/policies. Stalinist regimes generally like to portray themselves as democratic, controlled from below, with an economy run more efficiently than capitalism. Given that their regimes are the exact opposite of what they claim, they have tried to control and falsify the flow of information to the rest of the world. Where it is impossible to control such information, they have usually had a number of local as well as foreign apologists. The archetype of this form was the USSR, where, for instance, the regime actually managed to get some Western commentators on the 1936–1939 purges to play them down or even support them. Many of these were independent socialists or social democrats, or even liberals. The so-called 'fellow travellers' were clearly vulnerable to such seduction, but the falsification of Soviet reality produced by the Stalinist regime has given them, today, some kind of limited absolution in the eyes of some people. The issue is not just of historical interest in that regimes like China and Cuba still exist, and there are parties, sects and intellectuals who are still influenced, to whatever degree, by the myths and falsifications of the nature of these former regimes.

In the second place, given the considerable power of such Stalinist regimes, whether through propaganda, or through direct material influence, they have tended to dominate and often control such left as existed. Publication and distribution of critical material was often problematic even in the West. The effect was significant. Thus literature critical of the South African organization the African National Congress, in which the South African Communist Party played a crucial role, was unpublishable. The powerful excuse that they were fighting a white racist regime appeared to sweep all before it. Today, the problems with the ANC and the South African Communist Party are patent to most people on the left. However, its 1980s leadership, with its nominal leader, Mandela, was sanctified by global capitalism, so showing the nature of the transition of Stalinism to support for capitalism.

However, the situation for most people on the left was far worse during the heyday of Stalinism, from the late 1920s down to the 1960s, where those critical of Stalinism were at best marginalized and at worst killed. The most obvious example was Trotsky, where the Soviet secret police organized his assassination and supported his assassin, when he came out, in Cuba. There was never any apology, and the secret police organizer Sudoplatov even justified the assassination in his book in the 1990s.<sup>13</sup> He had abandoned any trace of Marxism and argued from Russian nationalism. The result was that there was no genuine and effective left during this entire period. Stalinist fronts, like various ‘peace organizations’ or popular fronts, tended to dominate and control the left during this period. The move to the left in the 1960s and 1970s broke their control and their political parties began to split and sections moved openly to the right. The period from the 1970s to the end of the Soviet Union was a period of transition away from the Stalinist control of the left. The situation on the left today has not yet recovered from the forms that existed in the old Stalinist period, if we can call it that. The depth of the destruction of a genuine left has been so deep that it is taking decades to recoup.

In intellectual circles, in the universities, in the social sciences and arts, Stalinists also held sway in the left. The result was disastrous for Marxism in that they tended to take the line in the Soviet Union and make it respectable, as it were. In Marxist Political Economy, Maurice Dobb in the UK and Paul Sweezy in the USA produced textbooks and interpretations of political economy that ruled the study of Marxist political economy. Dobb played a seminal intellectual role in both economic history and political economy, never losing his belief in Stalinism, as a member of the Communist Party. From socialism in one country he supported the concept of the evolution of capitalism in one country. Sweezy evolved from supporting the purges through taking a highly critical line of the USSR but supporting Mao. The influence of these two writers on the Marxism of the time and later cannot be overestimated. The simpler textbooks, like that of John Eaton in the UK, provided the bread and butter for inducting new recruits.<sup>14</sup> Today, there are more textbooks, or more Marxist books in general, but there is nothing with the stature, albeit for bad reasons, that the Stalinists held. This is partly because of the relative earlier strength of the Stalinist hold as opposed to the present weak presence of Marxism, but also because the task itself has not yet become clear.

In other words, good books on the nature of the Marxist political economy of the contemporary world are limited and usually sectarian, whether the author belongs to a sect or not. In one sense this is a commendable step forward away from dogmatism, in that there are a variety of viewpoints. The problem is that the differences are so

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<sup>13</sup> Pavel Sudoplatov and Anatoli Sudoplatov, *Special Tasks: The Memoirs of an Unwanted Witness—a Soviet Spymaster* (London: Little, Brown, 1994).

<sup>14</sup> The books that were particularly influential in a Stalinist context, in the West, were Maurice Dobb, *Studies in the Development of Capitalism* (London: Taylor and Francis, 1981); Paul Sweezy, *Theory of Capitalist Development* (New York: Monthly Review Press, 1942), and John Eaton, *A Marxist Textbook of Political Economy* (New York: Lawrence and Wishart, 1949).

great that it is hard to discern what is in common, and the situation is made worse by the way each theorist defends his or her own patch. It is probably true that the differences are greater within Marxism than outside Marxism. Thus, at the present time, differences on the nature of value theory and abstract labour, which sound arcane to most people, can lead to different political outlooks in understanding the strategy and tactics of the ruling class.

The differences in the interpretation of the nature of the USSR led directly to a series of splits within the anti-Stalinist movements. The successor organizations' interpretations of the nature of the epoch and hence of capitalism became dependent on those interpretations. It is also true that parts of those doctrines could have evolved separately in the absence of the USSR, but they may not have had the same sectarian nature. To take one example, that of the falling rate of profit, Lenin, Trotsky and Luxemburg either rejected or ignored its role. However, in the period during and after the 1970s it came to dominate much of left argumentation. This was not directly due to Stalinism, which brushed the issue aside. It did, however, serve the purpose of ignoring and ultimately obfuscating any kind of understanding of the nature of class relations in an epoch of transition. There is an implicit assumption that the law of value is unchanging in the course of the development of capitalism. The debate on the nature of transition itself was itself consigned to the dustbin. This was not surprising since the Stalinists had argued that the world had moved into an epoch of state-monopoly capitalism, in the course of several stages of general crisis and continued immiseration of the proletariat. Since all three concepts mentioned in the last sentence were not only questionable but proven to be dubious both theoretically and factually, the left and Marxists generally turned against them, and their underpinnings. As a result, the concepts of decline, and implicitly, stages of capitalism, transition and crisis were either rejected or misused. It was hardly surprising that some Marxists then turned to a concept that is inherent in Marxism, the falling rate of profit, with a rising organic composition of capital. It has two advantages. Firstly, it is clearly not just in Marxism, but is an automatic consequence of the labour theory of value. Secondly, it is not associated with Stalinism, and hence can provide a post-Stalinist gloss to the writing on the subject. It has a further role in that it requires some arithmetic and mathematical skill in order to get the argument consistent with present day reality, and this allows its exponents to fit into the prevailing orthodoxy in economics, albeit as dissidents. In other words, the dogmatic exponents of its role have not arisen accidentally out of the ashes of Stalinism. They have fetishized the concept, partly as a reaction and partly because the fetishization of Marxist concepts became a feature of Stalinism and so the epoch.

In this respect, the differences on the nature of Stalinism also play a critical role. Thus an anarcho-Marxist or autonomist can stress the negative role of the state both in taking power and in any transition period, and attribute Stalinism to Bolshevik statism. A former Stalinist might argue that the problem lay in the absence of democracy rather than in the social relation of the elite and working class.

A state-capitalist theorist will argue that the Soviet Union was state-capitalist. The problem with these viewpoints, in respect of Marxism itself, is that each one re-interprets Marxist political economy in order to suit their arguments, and emphasizes their own interpretation of critical areas of Marxism. While this might be good for discussion, it makes the evolution of Marxism a long, drawn-out process.

Again, on this particular theme, there is an additional consideration. The low level of Marxism exhibited in Stalinist times both inside and outside the USSR allowed some Marxists to believe, absurdly, that they held a doctrine so powerful that they did not need to obtain the necessary empirical data. This applied particularly to the USSR, where the combination of lack of information and misinformation meant that much theory written by the 'groups' was not worth the paper on which it was written. The different 'theories' of these groups is discussed in the next section.

### **The Ideology: Incoherent Nationalism**

Bukharin and then Stalin proclaimed that they would build socialism in one country in 1924. This is the statement and therefore the ideology associated with Stalinism. It is the very essence of Stalinism.

It is a statement that Russia itself could go it alone in building socialism. In socialist and Marxist theory this is both theoretically and technically impossible, as socialism is a global system, a mode of production succeeding capitalism, which can only be implemented on a world scale. Hence any statement that the USSR, China, Venezuela or Cuba were building socialism does not make sense, unless the building of socialism is implicitly or explicitly re-defined away from Marxism and practically any socialist within the Marxist tradition. Yet, Stalin and the Stalinists proclaimed that they were Marxist. As the theoretical conflict goes to the foundations of Marxism itself, the concept of Socialism in one country, proclaiming itself to be Marxist yet able to supersede Marx by building socialism outside of the international division of labour, is internally inconsistent, confused and incoherent. Both the theory and practice of Stalinism were suffused by internal conflict and irrationalism as a result. Although the word ideology has been used to begin with, it is probably incorrect. Using the Marxist definition of ideology as false consciousness, it gives some insight into the so-called theory of Stalinism, but the extent of the incoherence is so great that it is hard to call it a consciousness at all, let alone a false consciousness. The result was that the ruling elite abandoned it for their own understanding of reality, while the ordinary population of the USSR could not use it for their own lives, given that the official propaganda so conflicted with what they saw around them.

Whereas the ideology of capitalism, commodity fetishism, appears, at first sight, to be obviously true, in that the market rules, the relations of production in a Stalinist country are transparent. It is clear that there is a ruling group that is privileged, and that has a measure of control over the surplus product. Western scholars

and officials talked much about indoctrination, but indoctrination requires some reference to reality. To make matters worse, the official line altered every time a new leader was chosen. It also changed in between those times, without explanation.

In fact, Stalinism became a collection of statements that changed every few years, while clinging to the central pronouncement that socialism was being built in the USSR, and that Stalin had performed an important role in the 1920s and 1930s, while 'state monopoly capitalism' was the enemy. Stalin's *History of the CPSU (B)* was replaced by a new textbook under Khrushchev, but it only made more rational what amounted to an extended rant. The new programme adopted by the Communist Party of the Soviet Union in 1961, at the 22nd Party Congress, announced that Communism would be introduced in 20 years in the USSR. As that implied abundance within 20 years when most of the USSR had limited rations and poor housing, it sounded and was impossible, but it performed the standard function of providing a promise to the population to raise their standard of living. When added to Khrushchev's policy of peaceful co-existence, it is clear that the Stalinist line had simply become one of retaining power in the USSR and its subordinate territories. The paradox and the problem for the regime was that it could only do so with the support of communist parties and movements outside its borders.

The doctrine itself of socialism in one country was in essence a populist script calling on the country to support its leaders, the bureaucratic elite, who had taken power. It was essentially a conservative, nationalist 'ideology'. Its internally conflicted nature served the function of elevating muddle and confusion over clarity, preventing the development of critical thought, even though few supported the status quo.

This re-definition amounted to a rallying call to support the leadership of the country—the USSR—as opposed to the imperialists who were seen as intent on the destruction of those running the country. The existing leadership was justified as trying to provide social justice, a modernized and industrialized country and so a higher standard of living for all, as opposed to the imperialists who were intent on exploiting the population of the country. It was nationalist by analogy with the nationalism of a capitalist country, where the bourgeoisie is supported as the leading class of the nation, which is seen as preferable or superior to other nations.

Socialism became a statement that the USSR would be industrialized through its own efforts, with its own political and social structure, and catch up and overtake the West. Although the propaganda slogans were populist rather than real goals, its failure to do so added to the reasons for supersession.

### **The Material Reality of Stalinism**

The fact that the official doctrine was internally conflicted was an accurate reflection of the nature of the Stalinist regime itself. The paradoxes of the 'system' were so extreme that they were easily parodied, as indicated in the quote on Shostakovich above. 'They pretend to pay us and we pretend to work' may have been an exaggeration but the essence underlying the humour was true. A play that dealt

with the difficulties of persuading bureaucrats that a live person, accidentally declared dead in their internal passport, ought to get documents showing that they were alive, because they were actually alive, received rapturous applause. The system was officially planned but shortages were not only endemic, they were unpredictable. It is not clear whether any five-year plan was actually fulfilled. The statement that Stalinist regimes were systems of organized chaos brought the nature of the system into focus. On the one hand, then, the economy was planned, but on the other, it was not only unplanned but even chaotic.

In the 1970s there were effectively three nonapologetic Marxist analyses of the Stalinist regime, and all three were of limited use. Today it is clear to most of those who supported them that they are either wrong or of little value. The bureaucratic collectivism viewpoint argued that the USSR was a new mode of production, which implies that it was relatively stable and could last some time. Its implosion makes that idea look rather premature today. The state capitalist viewpoint does not explain the drives within a system where profit is either absent or a minor indicator in a system of success indicators. Nor does the retreat to the argument that workers sold their labour power have much traction given the fact that workers had to work by law, on pain of imprisonment, collective bargaining was effectively outlawed, and housing, health, education and the utilities were outside the payment system. Finally, the third idea that such a regime was a degenerate workers' state had two problems. One was that the concept embraced a wide range of views from those who supported the regime to those who argued that it was not a workers' state as it had degenerated beyond that point. The second was that it was very hard to see how workers either governed or benefited from the regime, in however indirect a fashion. The argument that the Soviet Union was a workers' state relied on the fact that the means of production were nationalized and the economy was organized or administered. However, there have been a number of countries in which the economy has been largely nationalized, but no one considers them workers' states, like Egypt and other Arab countries. The nature of the 'planning' used was necessarily less 'planning' than administration, as indicated above. There is something wrong with an economy where the repair sector is bigger than the industry itself, where new technology has to go into new factories, as in two-thirds of cases, rather than updating old factories as in the West, where one-third of new technology goes into new factories. In short, there was a block on new technology, and the product was normally technologically backward, defective and unreliable. To call this a planned economy is to damn planning and with it any real workers' state.

The real problem with these views was the absence of detailed theoretical discussion of the real laws operating in the Stalinist system. They were no more than slogans imposed on the discussion in order to buttress a particular political viewpoint. Each one seized on a particular aspect of the regime and magnified it beyond its reality.

I will not repeat the history of the discussion. I put forward my own viewpoint almost 40 years ago and it is still accessible in the pages of *Critique* and

elsewhere.<sup>15</sup> I would like instead to raise a series of questions that have not been fully answered, following on from the brief introduction above. However, I have to give a brief picture of the economy and I should like to return to question of irrationality and bureaucracy, given the more detailed outline of some of the aspects of the economy.

The words *system* and *regime* have been used above but it is not clear that one could call Stalinism either, or, if one can, what they mean. It is clear that the USSR was not a mode of production, if only because it was shown to be insufficiently productive to last more than a very brief historical time. Marx argues very clearly that the huge rise in productivity given by capitalism was necessary in order to create the basis for socialism. As the USSR appears to have been a step backwards in that regard, it cannot be regarded as historically viable. Its conflicted and highly contradictory nature meant that it could not be more than temporary. Indeed it is not difficult to argue, as some have done, that only historical coincidence allowed it to last as long as it did.

### The Nature of Contradiction

In Marxist theory, any mode of production or socio-economic system is contradictory. Conflict, however, is not the same as contradiction, as the latter leads to supersession whereas the former ultimately leads to both sides failing, or one wiping out the other. Ongoing conflict must lead in the end to exhaustion of one or both sides. Contradiction in Marxist and Hegelian philosophy and so political economy involves an entity that contains two poles in a process of movement that interact and interpenetrate one another. This process ultimately leads to the supersession of the poles and their transformation into a new entity.

The law of value provides this contradiction within capitalism and its replacement is the law of planning under socialism. In the USSR the law of value and its field of operation, the market, were abolished and replaced by an organized or administered economy. Whereas the market does provide a powerful stimulus to a rise in productivity, at least in the early and mature phases of capitalism, the bureaucratic administration of a Stalinist entity does not provide the necessary stimulus. Wage labour combined with a reserve army of labour act as a species of economic force. In its absence, there remain only forms of direction, control and physical force, unless the society is controlled from below. In everyday parlance, only where the individual takes part as an individual in a form of collective participation in the process of

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<sup>15</sup> H.H. Ticktin: *Origins of the Crisis in the USSR: Essays on the Political Economy of a Disintegrating System* (Armonk, NY: Myron Sharpe, 1992). Also by Hillel Ticktin: (1) 'The Political Economy of Class in the Transitional Epoch', *Critique*, 20–21 (1987), pp. 7–25; (2) 'The Political Economy of the Purges', *Critique*, 27 (1995), pp. 129–144; (3) 'The Political Economy of Class in the Transitional Epoch', *Critique*, 20–21 (1987), pp. 7–25; (4) 'The Political Economy of the Gorbachev Era', *Critique*, 17 (1986), pp. 113–136; (5) 'The USSR: The Beginning of the End?', *Critique*, 7 (1976), pp. 88–92; (6) 'The Class Structure of the USSR and the Soviet Elite', *Critique*, 9 (1978), pp. 37–62; (7) 'Soviet Society and Professor Bettelheim', *Critique*, 6 (1976), pp. 17–45.

decision-making at the level of the workplace, as well as in the society as a whole, can there be an incentive to work in the most productive way. However, this is ruled out in a Stalinist society where all orders come from above and dissent is severely punished. Furthermore, individuals are politically and socially atomized in order to avoid the formation of critical or dissenting groups. Productivity is, therefore, necessarily low. Worse still, given the lack of trust throughout the system, organization of the economy and society is limited, compelling the individual and individual unit to find modes of self-operation in order to function and ensure some level of compliance with the orders coming from above. Whether this involves learning how to stand most productively in a queue or getting the necessary contacts to obtain consumer goods, get into university or find a job, it allows the society to function but in a manner different from and conflicting with that intended by the bureaucrats.

In the case of the USSR, we are talking of two laws derivative of capitalism and the overthrow of capitalism. In the West, the same essence continues to exist, of market and planning, but in a different form, and the present crisis can be regarded as a last-ditch attempt by capital to re-inforce the strength of the market.

### **The Necessary Unviability of the System**

The Stalinist system was organized or administered from above. The surplus product was extracted under the control of the Soviet ruling group, or elite, and the distribution and re-investment of that surplus was performed under their administration and in their favour. The essential problem was that, in spite of their political-economic control, they could not ensure the intended outcome of their 'planning'. They could neither raise their own standard of living and that of their families to what they aspired, nor could they raise the level of productivity, or growth rate, to that which was necessary to assure the stability of the system.

It is enough to recite the stages of the planning process to understand the inherent impossibility of the Stalinist, as opposed to the socialist, project. The initial formulation of the local enterprise's 'plan' by its managerial staff had to play down its potential to allow for overfulfillment or at least fulfilment without too much stress. This was necessary as the inputs frequently came late, were of poorer quality than expected, or did not quite fit. In addition, the atomized workforce effectively worked at their own rate, and there were few incentives that could alter that reality. Furthermore, the introduction of new technology so disrupted established patterns that it could take months or even years to return and surpass previous output levels. As the local managerial staff also wanted to be promoted or at least not censured, they did their best to produce a realistic 'plan'. In stark terms that meant that they could not tell the truth. The central planners who received these plans in order to co-ordinate them, also knew the level of deception at the local level. They were under pressure to raise total production, given the continuing level of mass shortage of practically all goods. They would, therefore, tend to increase the 'plans' for the local

enterprises. However, since they could not specify every one of the 25 million items being produced down to the last detail, there was always some level of aggregation. Given the fact that each person and each section of the enterprise and each enterprise effectively worked in their own way at their own rates, abstract labour did not exist. Hence the aggregation itself was always dubious. The local enterprise could then re-interpret the 'plan' in its own favour through disaggregation, even if it meant that its actual production was quite different from what was intended. The caricature example is that of a plan for 1 ton of various sizes of nails from half-inch upwards that is turned into the production of one 1-ton nail, something which is obviously useless. In fact, the exact situation varied according to the nature of the product, the region, and the industrial or agricultural branch, which increased the unpredictability of the system.

Underlying this situation was a series of features of the system. Firstly, the workforce was deliberately atomized in order to avoid political or political-economic opposition. Secondly, the system lacked any real incentive system for ordinary, as opposed to highly skilled, workers. As is now accepted, the ruble as it then existed was not money. In Marxist terms there was no universal equivalent or even a general equivalent. Places in the queue were often more important than physical rubles. Bonuses, therefore, meant little. On the other hand, as already indicated, there was no unemployment. There was no reserve army of labour.

It was the political-economic control over the workforce that was crucial in ensuring stability, but it was at the expense of the economy itself. Short-term stability ensured long-run unviability. The atomization and absence of abstract labour saw to it that workers could not establish themselves as a class, but also meant that they could not be controlled at an individual level and their labour could not be measured. Quantitative planning was necessarily inefficient. Apples and oranges could not be compared as constituting quantities of embodied labour. Mathematicians and econometricians had a field day, but in the end there was and is no solution. In a truly socialist society, by its nature there can be no abstract labour, no attempt to force people to work at any particular common rate.

In terms of the forces, drives or laws operating within this system, there was an inherent compulsion to organize the system, as opposed to allowing the law of value to operate, given the nationalization of the means of production, distribution and exchange. Those administering this system enjoyed the benefits of power and a redistribution of income in their favour through their limited control over the surplus product. Their control was limited because they could not ensure a particular outcome to their 'planning'. They were trapped by it insofar as they were not allowed private property of their own or the passing on of inherited property rights to their children. Their own positions were often precarious, particularly under Stalin himself. Their only real choice was to continue the system or dissolve it. The limits to their control over the surplus product were given by the fact that it was ultimately based on a unique form of direct compulsion, when 'planning' itself requires maximum diffusion of power and trust in the individual. This direct antagonism

between the economic form needed to run the economy and society, under total nationalization, and the actual form drove the regime from pillar to post.

From the point of view of the individual and the individual unit, they were both atomized and controlled, which meant that they had to work out an individual mode of existence that allowed them to survive. The paradox was that the counterpart of apparent total control was absence of control at the points of production and subsistence. Modern production or operation within the economy requires a level of initiative in order to ensure that the objectives are formulated and achieved. Where people can neither operate as independent individuals nor as cooperating individuals, the results are necessarily suboptimal. Not only was the system unable to enforce the total control that it sought, but the system was not able to achieve its own goals, in large part because it was unable to establish what they were.

Historically, the worker before capitalism was dependent on the provider of his means of production, whether totally as a slave or partially as a serf. Within capitalism the worker is formally independent. Money and so the wage provides that measure of individual independence of the master. The worker can leave and get another job or establish his own small enterprise. The worker seldom has the full opportunity that formal freedom gives him but there is nonetheless a stark contrast with the situation under Stalinism.

The difference is clearest by comparing the three cases of capitalism, Stalinism and socialism. The common feature between Stalinism and socialism is the nationalization of the means of production, but the difference lies in the subjection of the worker to those means of production under Stalinism and the mastery over the means of production in socialism.

In moving away from capitalism, the market is gradually abolished, which then creates the potential that those in charge of the socio-economic system might have complete control of the nationalized property. As a result the worker becomes completely dependent on the bureaucratic elite. The only way out is for those in charge to be made responsible to the workers as a whole, through some kind of electoral process as well as through an egalitarian form of the division of labour. In other words, if the means of production are not socialized, a new form comes into being that is neither socialist nor capitalist, existing in the nether transition between the two. Its exact form depends on the history of its formation and subsequent evolution. One can compare such a society to a Frankenstein monster or to a society which is a dead end in the process of evolution, having taken a wrong turning.

The essential point is that the system was internally conflicted with a law of organization conflicting with a law of individual action. The latter reflects the need of every individual to find a way of blunting the organizational drive of the system in order to survive. The category 'law' is used because the drive involved was a necessary one deriving from the forces within the system itself.

From this point of view, the thrashing hither and thither of the Stalinist system was not impelled by the impulses of a monstrous dictator but the other way around. The system itself was in constant crisis because there was no way out and the intensity

of its drives changed the people who were trying to control it into its own creatures. That Stalin was already an unsavoury character is clear enough, but even he would have been repelled to see what he had become by 1936, had he been able to foresee the situation from his vantage point in 1921.

Clearly some kind of working entity evolved in the 70 years of its existence, but it was never viable over the long term. It was not a mode of production, but it does appear as a kind of socio-economic system that could last a relatively short period of time. On the other hand, it could be said to have always been in so much trouble that it was also not a system. If one compares it with a physical system of some kind, then the latter usually reaches an equilibrium that lasts until it is destabilized. It is hard to argue that Stalinism ever reached that equilibrium, whether dynamic, organic or static. Nonetheless, it was able to function even if at a lower level of productivity than capitalism and less than its potential. That, too, has to be explained.

### Why did the Stalinist 'System' Last as Long as it Did?

There are two levels of explanation required, the objective and the subjective. Objectively, nationalization together with forms of 'planning' gave enormous control to the centre. In turn, that meant that it appropriated the surplus product, surplus labour, which it could direct and re-direct over the society. As long as there was that surplus labour, it provided the means and the lubricant for the economy to grow and function.

Orthodox economics argues in terms of factors of production of which labour is either one of land, labour and capital or alternatively one of many factors. However, for Marxists the only ultimate variable in human society is labour and labour-time, and consequently potentially unlimited command over mass labour provides for enormous possibilities.

When Trotsky called Stalin the 'gravedigger of the revolution' at a meeting of the central committee of the Communist Party, he proved prophetic, but even he could not have realized just how prophetic. At the time, Piatakov returned to the Trotsky household saying that Trotsky had gone too far. Stalin had been mortally offended and had left the room in which the meeting was being held. However, if anything, Trotsky had not gone far enough. Piatakov himself then forecast that the revolution had been set up back many years.<sup>16</sup> The Russian Revolution was effectively defeated with the rise of Stalin and what has come to be called Stalinism, and the world has had to cope with the nature and consequences of Stalinism since that time. From this point of view, Stalinism is the ideology of those who organized and used the *de facto* defeat of the October Revolution to further their own ends, whether those ends were personal or institutional.

The Stalinist defeat of the October Revolution of 1917 pushed the USSR into a limbo, and even today its successor states remain in that nether world. The world as a

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<sup>16</sup> Victor Serge and Natalia Sedova Trotsky, *The Life and Death of Leon Trotsky* (London: Wildwood House, 1975).

whole was flung deeper into an abyss within a now elongated period transition between capitalism and socialism. The German Social Democratic Party had supported the First World War and refused to take power in 1918 when the war was lost and Soviets were being set up in Germany. They colluded in the murder of the Spartacus Bund leaders, Luxemburg and Liebknecht, and thereby ensured that there would be no German revolution and no world revolution to go with the Russian Revolution. The world was waiting for the old system to perish and be replaced by the new. Instead there opened up over a century of transition from one system to the other. The Soviet Union could not build the new system by itself, although it might hold out for a period of time until the coming of a German revolution. Under those circumstances, the deterioration of the USSR was inevitable. In that sense, Stalin was only the instrument of social forces of which he had no understanding.

The words 'abyss' and 'no understanding' imply chaos, complexity and a sense of profound change in which forces are operating apparently beyond human control. Stalinism has to be understood as a series of political, social and economic measures that amounted to a system of its own kind, within the USSR, and were used to try to cope with a changing, chaotic, complex, contradictory and conflictual reality. The measures themselves were unsuccessful if judged in terms of their own ostensible goals. They were also unsuccessful if we look at the intentions of the authors of those measures. However, they were not unsuccessful in a broader historical sense. They destroyed the revolutionary dynamic set up in 1917, towards world revolution, and they established a new ruling group within the USSR, whatever we want to call it. Their ultimate success was apparently established with the dissolution of the USSR and the world's communist parties. However, in reality, the USSR was further from Socialism than the West, both in subjective and in objective terms. The shell of the USSR and the apparent form of the Cold War was crucial in maintaining capitalism.

Stalinism, therefore, appears on the historical stage not just as the gravedigger of the October Revolution but as the bourgeoisie's fundamental, if underlying, strategy for the prolongation of capitalism until the USSR imploded and the Cold War ended. Although remnants remain today, they do not have the same power. It is no accident that the world is today in the midst of a long-term capitalist crisis. The implication that the bourgeoisie in the 1980s and 1990s did not understand their own strategy is clear. If their claim that they brought the USSR to an end were true, then they scored an own goal. In reality, the USSR came to an end because it had exhausted its potential, and the elite brought it to a conscious end in order to improve their own personal situation.

In other words, the Soviet Union lasted as long as it did because it could deploy the army of surplus labour present in the early years of the revolution to expand or maintain production, until the point that where there was a shortage of labour. In the second place, it acted as a form of stabilization of global capitalism, which then stabilized the USSR.

## An Historical Political Economy of the USSR

In this article, I will summarize the arguments on the nature of the USSR that have been made in the pages of *Critique* from its first issue onwards, and go on to discuss a series of consequences. It is, however, worthwhile beginning with a series of conclusions that I have drawn in order that their illustration in the analysis be made clearer.

Whatever Stalin thought, and it is not clear that he had any analysis at all, he never intended to engage in the large-scale destruction of millions of people, the ruin of Soviet agriculture and the establishment of an industry that was exemplary only in its extraordinary and novel forms of waste of resources both at the macro and micro levels. His original aim in 1923–1924 was to raise the standard of living of the population, particularly that of the peasantry. For that purpose he reduced the price of the machinery and supplies that the peasantry needed. When that meant that, in the following year, the peasantry demand exceeded the supply of the machinery and they did not therefore sell their own goods, he went for expropriation and was led step by step into a deeper crisis culminating in the decision to collectivize the farms by force and abolish the market. That led in turn to the killing and incarceration of peasants and thereafter to a massive famine. The point of this summary is not whether there were alternatives or whether this is the exact historical account but to point to the undoubted reality that Stalin and the Stalinists did not understand the consequences of what they were doing.

The only alternative was to accept that socialism could not be built in one country, and therefore to hold on as long as possible by doing what was possible. That required maintaining the New Economic Policy and therefore the market in agriculture and consumer goods. To do that, the necessary equipment and supplies had to be obtained, and consequently the relative prices would be against the peasant and the consumer, with the unpopularity that would go with it. Paradoxically, the Stalinist policy began by being populist and ended by killing millions of people. The alternative, put forward by the left opposition, may not have worked either, but they were aware of that fact, for which reason they were hoping against hope for a revolution in the West. At the same time, Trotsky refused to take power and argued that anyone who would have taken power in those circumstances would have ended up like Stalin, given the circumstances.

It was not irrational to argue that there would be no revolution in the West for a long time and therefore the economy had to be re-built by the efforts of the Soviet population. However, it was not possible to do so using socialist incentives, when there were none, or even Civil War rhetoric. After the privation of the Civil War and famine, people were hungry and tired and they needed more than words. As Preobrazhensky famously remarked: ‘We have lost the incentives of capitalism and we do not have the incentives of socialism’. The only alternative was to use the market as far as possible, under the limited control of a planning apparatus, but this was fraught with difficulty. For the Left Opposition, the goal was to change the global

mode of production, which meant that they had to help the world revolution, but hold out in the Soviet Union as its base for as long as possible.

At this point, there are those who point to the reality that Lenin and Trotsky made concessions in order to secure the safety of the USSR. In particular, they seemed to sacrifice possible revolution on its borders for this purpose. One can interpret their actions in different ways, but it is clear that they were realists and they did want to protect the USSR. However, that does not alter the fact that they were relying on a revolution in Western Europe and that they were aware that its failure could doom them. Their hope was not irrational if we look at the evolution of the world economy and especially that of Germany after 1929. In other words, their strategy made sense, even if some might argue that they were somewhat utopian. However, if they were utopian, then they were always utopian, and they had won power in the October Revolution, in spite of the odds.

In fact, the Stalinist alternative, therefore, was not just utopian, it was impossible. Either they were in favour of world revolution or they were not. If they wanted to postpone it as a goal, as it were, and the postponement of socialism to the distant future became the hallmark of all Stalinists, then that was, in fact, its abandonment for the time being. They could not then talk of socialism and its incentives because all that meant was self-sacrifice for an unknown and mistrusted greater good. The only possible incentive system was that of the market. The problem with the market is that it malfunctioned under conditions of extreme shortage. In a capitalist framework with extreme shortages, as in wartime, rationing was introduced and a form of military planning established, while maintaining a more limited market. Hence it was essential to have some form of organization and conscious interaction with the ordinary population and not a series of top-down commands. However, this came up against another constraint, enunciated with some force by Trotsky. The logic of the agricultural market was the development not just of relatively richer peasants but also of wealthy merchants operating in the wholesale market. Trotsky points this out as applying in pre-revolutionary times, where these local capitalists exercised considerable influence over a swathe of the country. To let the market rip meant the growth of capital in whatever form, and the Bolsheviks had limited popular support.

The rising Soviet bureaucratic elite, whom Stalin represented, was not based on capital but neither was it based on the urban or rural working class. It feared the growth of capital because it would have displaced if not imprisoned them for their actions during the revolution. At the same time, as already indicated, it could not call on the population to sacrifice itself yet again, even if it had had mass support, which is dubious; the increasing level of inequality under Stalin and the increasing social distance between the elite and masses had seen to that.

The consequence was that the policy constraints of Stalinism doomed its enterprise. It could not extend the market to the point where it was wholly 'free', where capital could operate without restriction and where foreign capital could be obtained or invited in, and it was not willing or able to run a semi-planned market. The only instruments that it possessed were forms of bureaucratic force. That is why the

various schemes dreamed up by latter day Bukharinists or liberals were beside the point. Any regime in its place could only use three kinds of incentive: market type rewards and penalties; forms of political and social persuasion; and force combined with direct organization over the process of production. The first had lost much of its role, while the second could not be used to the extent needed, leaving only the third. This was much re-enforced by the reality that the new bureaucratic elite had difficulty in using the first two and was familiar with the third in its naked brutal form, but less able to cope with the necessary organization required. The problem with the latter is that it needs a two-way process to function successfully. Yet, in its nature, the use of force conflicts with the need for truthful inter-communication. Failure was, therefore, built into the enterprise in terms of its ostensible goals. The threat to the regime, however, allowed the elite to marginalize its founders and expropriate and imprison them.

The dire situation allowed the elite to go for mass collectivization and industrialization, which likewise failed in its apparent goals but achieved relative stability for what amounted to a new system. So-called collectivization ruined Soviet farming but finished the peasantry off as a political force. Furthermore, the major towns were supplied with food at the expense of the majority of the population, who effectively went hungry or starved, often to death. Industry was built, but with many factories left half-finished, heavy industry over-developed and consumer goods stunted. The product itself was unsatisfactory. It was commonly unreliable, technologically backward, inherently defective, and not produced to the necessary specifications. Rakovsky produced a report for the Bulletin of the Opposition, which demonstrated the real failures of the five-year plans.<sup>17</sup> None were fulfilled, although all were officially announced as fulfilled or over-fulfilled. The high growth rates were ratcheted downwards by scholars in the Gorbachev period. Looking back at this period, it is clear that such a result was predictable in that the labour in the factories was effectively a species of forced labour and as such had the problem of all such forced labour, that its quality could only be low.

The result of the unintended famines and industrial chaos was to create an atmosphere of total misery combined with the increasing fragmentation and ultimate atomization of the population. The bureaucratic response to its failure was to attempt to establish direct control over production and the society. For this purpose, it purged the intermediate layers, putting them in camps, and used the secret police—the NKVD—as the controlling economic arm of the state. Stalin ended up as not just the political dictator of the system, but as the sole ruler of the economy and society. There was in effect no independent elite apart from Stalin. The logic of the permanent chaos meant that no member of the elite could have his own independent base. The atomization of the population led to the atomization of the elite itself, leaving only Stalin as independent. In effect the only member of the elite was Stalin and the bureaucracy served him. Again, Stalin had not intended this result. He had

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<sup>17</sup> Khristian Rakovsky, 'The Five Year Plan in Crisis', translated by Don Filtzer, *Critique*, 13 (1981), pp. 7–54.

not expected to become the possibly the worst mass murderer that the world has ever seen, and nor did he understand that he was such a monster.

It was not a question of Stalin being imbued with an ideology that led to these results. Marxism rejects the concept of the all-powerful state in building socialism. On the contrary, the state has to wither away. It rejects the concept of an elite standing above society. One of the fundamental aims of socialism is to ensure control from below. Stalin's writings are not Marxist but instrumental, and his words have to be understood in that context, stripped of the crude misinterpretations of Marxism.

The system that evolved did so because there is no third way between socialism and capitalism, and any attempt to establish one can only fail, although different attempts might fail in different ways. In that sense, Stalin himself was a victim in that he was turned into a monster by the contradictory and conflictual forces at work. Obviously, he had choices and he consistently took the wrong turnings given his character, but the Djughashvili of August 1917 would have been horrified if he had seen what he became as Stalin. He effectively set a precedent for populist regimes to have such Supreme Leaders for life, beginning with Hitler.

### **The Personal Role of Stalin**

Paul Flowers argues that the system owed a part of its nature to Stalin.<sup>18</sup> The argument above has stressed the importance of the forces operating on individuals, but it is not a classical determinist viewpoint. Stalin was left with three choices, to return to capitalism, to go back to his political origins as a Marxist and try to hold for world socialism, allying himself with Trotsky, or neither one nor the other, hoping for the best. He chose the latter, which was not surprising, as it seemed the easiest and obvious choice in 1923–1924. He had the support of Bukharin and much of the party apparatus, as well as the peasantry. Unfortunately, he did not have the perspicacity to see that it was not likely to work out. Again that was not surprising as his supporters, more intelligent than he, like Bukharin and Dzerzhinski, did not understand the situation. The problem was that there really was no third way and movement in that direction towards a nonmarket economy could only have involved increasing force, as failure was piled on failure. The relative ease with which the force was able to operate, with relatively limited effective opposition, meant that there appeared to be no limit to its application. In historical terms, that was also due to the limited options left to the peasantry, workers and party members. Lenin had stressed the importance of the party in order to change society.

Logically, the Stalinist *coup d'état* in the party had to be opposed by the rapid building, and ruthless operation, of a party in opposition to Stalin. That quickly became impossible owing to the total penetration of the society by the Stalinist secret police, but the attempts at opposition in the earlier period were feeble, in large part because they were too optimistic. In fact, only the army could have opposed the

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<sup>18</sup> Paul Flowers, 'Stalin and the Great Terror: Politics and Personality in Soviet History', *Critique*, 39:2 (2011), pp. 271–293.

Stalinist apparatus and the secret police, and Trotsky refused to take that road; as result those who were trained under him remained loyal to the state.

Stalin, therefore, had his way open. The Stalinist bureaucrats, like Kirov, who realized that something had to be done, were pusillanimous and still loyal to Stalin, even if they wanted to move him aside. It cost Kirov his life. Stalin was effectively formed in this period, when he and the Soviet Union were cast into an abyss by the decision to take the nonexistent third way of socialism in one country. There were no guides to help them out and the only temporary solution, which was no real solution, suited his own brutal personality. It was the combination of brutality, insensitivity, limited intelligence, cunning and determination that made him capable of the mass killing of the old Bolsheviks and much of the old intelligentsia, not to speak of the peasantry.

Someone without those qualities would not have been in his position as General Secretary, and someone with some of those character traits might well have developed the 'skills' required as the system continued to demand its own specialized form of direct and indirect compulsion. It was the First World War and the Civil War itself that had helped to form the characters of the surviving Bolsheviks, whatever their earlier history. They had become soldiers of a cause that had lost itself, but they were determined to pursue it regardless. Those who were honest and intelligent realized that they had to try to hold on in a very limited form and if necessary retreat and pull out. Under Stalin, they left the Communist Party and tried to bury themselves, if they were not too well known. The leading Bolsheviks had no choice—they were imprisoned and killed. From Stalin's point of view, he had no choice as they opposed everything he was doing.

Would Bukharin have been different? Modern Bukharinists try to argue that he would have pursued a different, market-orientated, pro-peasant policy. The fact is that Stalin adopted his policy and it did not work. The reply of the Bukharinists is that it was not a genuine and balanced pro-peasant policy. The issue was not a technical one of discovering an ideal agricultural policy towards the peasant but of fitting it in with the existing political and social constraints, which included the attitudes of the bureaucracy itself. There probably was no policy that would have worked for more than a very short period, given the constraints. Bukharin would soon have lost power if not to Stalin then to someone else with similar qualities.

Trotsky argued that, although he could have done so, he was right not to have taken power as head or former head of the army, because it would only have meant that he would have had to act like Stalin. Yet Trotsky also maintained that Stalin was appointed and maintained by the party apparatus and the wider bureaucracy because he suited them. In other words, had he taken power as head of the left opposition with the support of the army, he could have acted differently, even if with circumspection. His point, though, was that the head of the USSR had to have some democratic support if only through a genuine election within the party, in order to govern with at least some working class support. Stalin used force precisely

because he had no democratic mandate and very little support, and as time went on he drew increasing levels of fear and hatred on himself.

However, any reasonable person put in Trotsky's position in 1923, who was given the power to foresee the future under Stalin with its catastrophic effects both on the USSR and the world, would have been forced to take power, if only to save those who died. While such counterfactual history has no reality, it does bring out the simple fact that no-one expected even the smallest part of what did happen. We can discount the nonsense produced by the right, which always wants to preserve the status quo and hence always argues that change is worse. This point has been discussed earlier in the context of the search for utopia. However, even the right could not have predicted the disaster that unfolded. Hitler's rise is closely related, given the ruin of the German Communist Party as a result, and its refusal to make a united front against Nazism with the social democrats, preferring to have coalition governments in the German states.

In other words, the dire effects of Stalinism were not expected and few could have known its extent outside those who were directly involved. Since the 1930s, we have seen a series of countries that have been controlled by varieties of Stalinists, like China and Cambodia in particular, some of which have suffered a similar type of mass slaughter. We can conclude that the role of an honest, far-sighted individual could be as decisive as that of a narrow-minded, prejudiced and brutal person, such as Stalin. Paul Flewers clearly has a point.

### **Transition Period Considered**

When the market is abolished, and the means of production, distribution and exchange are nationalized without objective forms of control from below, the society, in all its aspects, falls under the subjective control of a ruling group. Its rule is transparent, in a way in which that of the ruling class under capitalism is not. For that reason, its rule is also fragile. The ruling group does not have any means of persuasion because its rule is patently illegitimate, unjust, and undemocratic. Declaring itself socialist, the ruling group nonetheless allocates to itself a privileged position both in terms of income and control over the surplus product.

Under these circumstances, there are a limited number of possibilities, dependent on the origins of the ruling group and the global context. The regime could not simply go over to capitalism for three reasons. The first is that the former capitalist class would demand that its property be restored, the second is the need for rapid development of industry, where the country is underdeveloped, and the third is the opposition of the population.

In the case of the Soviet Union, the new ruling group could not turn to the West or the capitalist class since the latter would demand the return of private property as well as compensation for the expropriation of their assets. They could, themselves, be incarcerated or killed. Furthermore, even nonsocialist nationalists would and did

oppose such a course of action, as it meant the subordination of Russia to the imperial rule of other countries.

A second possibility was to retain or extend the market, allowing the growth of a capitalist class, under the control of the new elite. Such has been the course in China since the death of Mao. This was only possible after some 30 years, however, and was ultimately dependent on the influx of capital into China.

A third possibility was that of the extension of the New Economic Policy, but with a more democratic structure. This, however, was ruled out by the fact that the ruling group would have lost their positions within that structure, since they did not have mass support. In fact, without the overall drive, theoretical understanding and overall self-sacrificing idealism of the core Bolsheviks, there would have been a relatively rapid shift to capitalism, assisted by the West. Trotsky had warned in his scissors speech of the slippery slope that threatened if nationalized industry was not built up. He saw the New Economic Policy as the arena of battle between 'planning' and the 'market'. This argument, effectively between the left opposition and the right, led by Bukharin, and supported by Stalin, as to whether to concede to the peasantry has remained a dividing line ever since this time.

All transitional regimes face the same choice, although the situation for under-developed areas of the world is more difficult. Since it is not possible to move straight to socialism, the initial phase necessarily involves the market for a longer or shorter time. Even in the very best case, where the country is relatively developed and part of a much larger entity moving to socialism, the temporary role of the market remains. There will then be a conflict between the part of the economy based on profit and that based on need. The market-socialist argument is that the market sector will mesh with the nationalized sector so that planning and the market will be compatible. This is a long drawn-out controversy first raised in 1923 in the USSR, but continues to the present.<sup>19</sup> However, for the purposes of this discussion, on Stalinism, there are two points to be raised.

### **Bureaucracy**

One can define bureaucracy in many ways. Here we are dealing with a bureaucracy which plays a controlling role in the political economy of the society. For Marxists such a bureaucracy can be understood as a social grouping, administering the society, that comes into being when the old social relations are in decline, while the new are still to establish themselves. It fills a void when the old rules or laws are malfunctioning but the new are not yet in place. It came into being in previous transitions, such as that between feudalism and capitalism, and from the ancient mode of production to its successor.

Modern bureaucracy owes its origins to the rise of 'planning' within a market economy. In a capitalist economy it has become very clear, as in the UK, that the

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<sup>19</sup> For a discussion, see Bertell Ollman (ed.), *Market Socialism-the Debate among Socialists* (New York: Routledge, 1998).

greater the attempt to impose market criteria on needs-based sectors, the bigger the cohort of managers. In the private sector, modern large firms need a substantial bureaucracy to cope both with the internal organization of the firm, as well with its direction, based, as it is, on profit, within a competitive framework. They act as a form of control as well as providing the necessary long-term direction of the enterprise. Historically, in earlier periods of capitalism there were alternatives. The first was to rely on the self-motivation of the employee/worker and the second was to expect profit itself to provide the necessary control and direction. In the case of a small enterprise, relatively small expenditure could play an important role in the viability of the enterprise. As a result, the controls and management were inbuilt into relationships in the firm. Individual workers in turn often owed a strong loyalty to the enterprise. In large firms, however, these historic incentives were undercut by the remoteness of the hierarchy and the great difference in rewards, as well as by the need to 'plan' research and development, in particular, for decades ahead. The alternative is that of a society without profit or competition, where cooperation and loyalty to humanity rather than a firm ensure both motivation and devotion to duty. Under such conditions, management would be a fraction of its present bloated size.

The point is that capitalism in its decline spawns bureaucracy, even as it excoriates it. The work of Berle and Means in the 1930s made respectable the clear growth of a bureaucracy within a monopoly economic structure; however they actually framed it as a separation of ownership and control.<sup>20</sup> Since their time the issue has advanced further and become more complex with the increased role of finance capital. The comparison with the USSR, as in the case of Burnham's well-known book on the Managerial Revolution,<sup>21</sup> is not coincidental. The USSR could not rely on the self-interest of the individual to coincide with the needs of the enterprise or the institution, let alone the apparent aims of the government.

Given the negative attitude of all employees, managerial control was essential. The problem, however, was that, in the absence of profit, managerial incentives were also lacking. The result was that the kind of managerial controls and initiatives normal in the West could not function either. Above all, the USSR did not have either a functioning reward system, based on money, given the absence of money, or the penalty of unemployment in a society of a shortage of labour.

It is obvious that governments of various kinds have existed under a series of different modes of production or socio-economic systems and they have their own administrations or bureaucracies. However, it would also appear that the administrative apparatus seems to grow during periods of transition, as from feudalism to capitalism, and then recede, when the new mode or production is established. Under conditions where the administrative apparatus was regarded as dysfunctional, it necessarily led to increased administrative supervision. Effectively the bureaucracy

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<sup>20</sup> A.A. Berle and G.C. Means, *The Modern Corporation and Private Property*, 2nd edn (New York: Harcourt, Brace and World, 1967).

<sup>21</sup> James Burnham, *The Managerial Revolution: What is Happening in the World* (New York: John Day, 1941).

could only increase. The administration dealt with the managerial problem by periodic re-organization both of a limited and all-embracing kind and by using one apparatus to rejuvenate or purge another.

At first sight, this seems to be an argument that bureaucracy arises in the absence of the market. However, the point is that it is the political-economic atomization of the population that demands a more profound bureaucratization than that which exists under capitalism. The bureaucracy was a key element of the system, with its elements interlocking with each other, the secret police to atomize the population, the state economic apparatus to ensure the nonmonetary economic output and exchange, and the Communist Party to control and direct the two from the highest to the lowest levels. The enormous power held by these sections of the bureaucracy was only possible because of the abolition of the market and therefore money. The individual was wholly at the mercy of the system, and consequently had no independence of the bureaucratic apparatus.

In theoretical terms an individual had a measure of independence in capitalism through that individual's control over money and property. In feudalism the individual serf was dependent on the feudal lord and the latter's property, but had a very limited degree of independence in so far as the serf had a limited right of land possession. As a result, the individual in Stalinism had less control over his future than in previous formations. This is not surprising if we regard Stalinism as a 'void' in the process of transition from capitalism to socialism. The essential guarantee of the rights of the individual does not rest on a constitution that can always be ignored or suspended but on the control of society from below, ensuring a close identification between the good of the society and the needs of the individual. A society that lacks the advantages of both capitalism and socialism plunges its members into the unmitigated horror of an escalating if hidden opposition that is countered with an ever-growing apparatus of coercion and control. Since the apparatus seeks a viability and certainty that is unobtainable, it tries one impossible solution after another, ignoring the massacre, famine and misery of the population.

Any bureaucracy is an administration tasked with implementing measures decided on by the ruling personnel or in the case of a society by the ruling class, caste or elite. The contradiction in this division of labour is that the separation between master and servant is limited. Thus in the UK, the civil servants have generally been selected from a particular layer of society, from the ruling class itself, through a process of preferring 'public' schools and through a particular examination system. In the second place, any administration will tend to have greater contact with and knowledge of the objects over which the administration rules, than those who decide. The enterprise bureaucracy is similarly empowered.

The administration, however, takes the ultimate step when it dispenses with the ruling class and it itself makes the decisions, which it has to implement. Its problem, at this point, is that the bureaucracy lacks a mode of extraction of the surplus product. There is no historically viable form of the surplus product attached to the bureaucracy itself. One may ask why it cannot invent one and the answer is that there

are only a limited number of forms possible. Labour may be free in a market and so become wage-labour or it may be dependent labour as in serf or slave labour. This amounts to saying that one may have forced labour, semi-forced labour as in serf labour or nominally free labour, as in wage labour, contained by commodity fetishism. The logical next step is truly free labour as under socialism, but there is no form in between wage-labour and the truly independent worker. In other words, we have direct force over the direct producer, and indirect force through economic compulsion or a combination of the two. A system that cannot base itself on wage-labour, and so commodity fetishism and the reserve army of labour, is itself driven to the use of direct compulsion.

There is an obvious criticism of this analysis. It argues that a mixture of market and 'planning, or market and administrative compulsion, market Stalinism, is viable. The history of the last 30 years has not supported this hypothesis. In the West, there has been a constant drumbeat from employers' organizations to the effect that the market is being squeezed out by the state, that the welfare state undermines incentives, that managers must have the right to manage, that is, hire and fire workers. Analysts of China persistently point out how the market is hindered by the police state. There is no doubt that such a hybrid can exist for a period of time, and Stalinism has proved it, but it is not viable over more than a few decades.

The result is that an administration that assumes political-economic power has to accept the form from which it arose as the least worst alternative. The problem in the case of the USSR was that it had to invent its own means of extraction of the surplus product under conditions where no viable form was possible. The structure and relations that resulted did function, but in constant need of reform. The result was a system that was patched up in a series of ways. The different ways in which this was done worked in the short term but were an increasing burden over time. The system as it came into being was never rational, but it became systematically more conflictual and so more irrational over time.

The repair industry is a good example of this process. Repair tended to become bigger than the original industry for which the repairs were intended. While this meant that industry functioned, the costs are patent and unsustainable over time. A culture of acceptance of defective goods meant that those goods that have zero tolerance of defective parts, like computers, could not be mass produced. Nonetheless, until the end came, ways were always being found of surviving.

The bureaucracy is irrational to itself and it understands that. Stalin and his successors often denounced bureaucracy as the source of the ills in society, even though they could themselves be called a bureaucratic caste or elite. The purges can be regarded as an attempt to make the system more effective and rational, by going straight to the worker on the job, cutting out and purging everyone in between.<sup>22</sup> The problem is that that too is irrational both in its murderous means and in its outcome, which is a necessary failure.

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<sup>22</sup> Hillel Ticktin, 'The Political Economy of the Purges,' *Critique*, 27 (1995), pp. 129–144.

Total bureaucracy is itself irrational, but if we look at its roots in the failure to control the surplus product while trying to control it, one can see that the economy and society are those in which no solution is possible. Every attempt at a solution leads to further complications and problems that lead back to the original problems.

The 'standard', if temporary, solution for every bureaucracy is that which has often been caricatured. It is the constant organization and re-organization and re-organization of the re-organization, creating an illusion of permanent and constant activity, whereas nothing is being achieved apart from a form of discipline and an illusion of activity. The exact quote is worth reproducing: 'We trained hard, but it seemed that every time we were beginning to form up into teams, we would be reorganized. I was to learn later in life that we tend to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization.'<sup>23</sup>

The Soviet Union went beyond permanent re-organization, although this remained a feature of the system, as the Soviet system had more drastic modes of discipline, like the purges, while also being more chaotic. The lower level subordinated bureaucracy implemented decisions with limited, if any, responsibility for the effect of the decisions, with irresponsibility increasing lower in the hierarchy. In the Soviet Union, the form of compliance was crucial and evasion of responsibility for failure normal. The example of the enterprise planning unit translating an instruction to produce 1 ton of nails into a single 1-ton nail is the satirical truth of the way the system was run.

#### *Why was it Irrational? Combination of Total Power with Permanent and Growing Unviability*

The power of Stalinism arose from its fusion of political and economic control, that is, nationalized property without any private property plus its ability to develop a special state-controlled police who could survey the entire population, and a party-state apparatus that could supervise the bureaucratic documentation of that population. Total control meant that the individual was both atomized, or individuated, and stripped of individuality in that everyone was under surveillance and hence everyone had to conform, under the severest of penalties.

#### *Why was the System so Brutal and so Vicious?*

The usual explanations of the nature of the Stalinist regime refer to the one-party state, the total power held by a dictator and references to the corruption of power, with particular reference to the view that absolute power corrupts absolutely. Less intelligent writers refer to some version of evil in the nature of communism. Even if

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<sup>23</sup> It is unknown who wrote it, although it is often falsely attributed to Petronius Arbiter, as a glance through Google will show. One commentator says that the quote has only been known since the Second World War. It really makes no difference who wrote it, since the sentiments are well expressed and applicable to modern bureaucracies.

all these statements hold true, they do not explain why the Stalinist regime was so extreme in its brutality. It does not explain why the regime under Khrushchev and later continued the devastating atomization of the population. While the camps may have been largely closed down and only very limited numbers put on trial, shot in demonstrations or incarcerated, the fact is that fear continued to play a crucial role in the political economy of the continuing Stalinist system.

Ultimately the brutality of the regime arose from the fact that it existed in a void, a hiatus in history or a social vacuum, to use a number of relevant expressions, in a global transition in which it had no place. It had the elements of a transition in the abolition of private property and the market and the potentiality of common control, from below, in the interests of humanity as opposed to a class or elite, but the nationalized property was hollowed out as formal structures in which the surplus produced was either controlled and appropriated by the ruling elite or wasted in an unviable economy. There was effectively a collision between total power and total unviability. The need to plan had mutated to become a form of organized economy imposed on individuals and structures who did their best to adapt the instructions to their own interests.

Individuals in the elite were afraid to lose their positions and with their positions their livelihoods and possibly their lives. The failure of one policy after another led inexorably to the extensive use of direct and indirect force, and when that too was in peril, the elite turned to the ultimate forms of force. There were no intermediate forms or intermediate layers on which they could rely. Uncertainty ruled not just because their own futures were cloudy, but also because the global system was not secure and the Soviet Union itself could easily mutate. One journalist/academic made the following remark of the present: 'Russians say that it is impossible to predict anything in their country—even the past. The heroes of one era are airbrushed from the next. The brave advances of one leader are denounced by his successors as hare-brained schemes. It is often difficult, as Boris Pasternak once wrote, to distinguish victories from defeats.'<sup>24</sup>

With the ruling group insecure as an elite, and the individuals in the bureaucratic elite insecure in their individual positions, but with enormous power, their only means of survival was to strike at their opposition and their competitors. The problem was that this necessarily left Stalin as the sole long-term survivor. The few others left around him, like Molotov, Mikoyan, and Voroshilov, were completely dependent on him and even then it is not certain how many of those would have survived had he not died in time. The imprisonment of Molotov's wife and that of Kalinin showed the relationship in its true light. Khrushchev's ascent to power using the support of the army under Zhukov, and the party apparatus, was itself brutal in that it involved the physical liquidation of the top personnel in the secret police, and its troops.

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<sup>24</sup> John Thornhill, 'Russia's Past is no Sign of its Future', *Financial Times*, 26 August 2011, p. 9.

The issue goes beyond Stalin himself, as the Soviet Union continued for another 39 years. As I argued in a review of the early period of the Soviet Union: ‘Wherever there is a collectivity on the one side and the individual on the other, there is bound to be a conflict. That is one aspect of the trap which history sprang on Stalinism—leaving it at the mercy of forces it could not comprehend, so driving the regime to its ultimate madness.’<sup>25</sup> It continued after Stalin much like the headless horseman that remained in the saddle, as one film, Tarkovsky’s *Andrei Rublev*, produced in 1966, implicitly depicted it. Part of that fear, the fear of falling into a deeper vacuum, became real when the Soviet Union ceased to exist.

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<sup>25</sup> Hillel Ticktin: *Weekly Worker*, 806, 25 February 2010, <http://www.cpgb.org.uk/worker2/index.php?action=viewarticle&articleid=10038> (accessed 5 October 2011).