
The Class Structure of the USSR and the Elite

HILLEL TICKTIN

Introduction

This article tries to discuss the nature of the class structure in the USSR and attempts to reply to some of the criticisms made of previous articles in *Critique*.¹ Centrally employing Marx's fundamental category of control over the surplus product, it is argued that the control exerted by the ruling group is only partial and that certain important consequences follow from that fact. The character of this control means that no clear dividing line exists between the social groups, though they exist nonetheless. Consequently, the relations between social groups are at a higher level of contradiction than under capitalism. The stability of the regime is thereby limited and the class relation can express itself only in a political form. The article relies on the evidence adduced in my previous articles and must be regarded not on its own but as part of a series.² The detailed discussion of the other social groups, and the implications of the argument for the non-Soviet world, will appear in later articles.

1. Method

In this article the analysis proceeds, for purposes of presentation, from the abstract to the concrete. We begin with the question of the fundamental relation in the society — the class relation or whatever has replaced it — and try to establish its nature by becoming more concrete. In the process it becomes possible to evolve the laws of development (or stagnation) and the specific categories applicable to the society. The concrete forms in which the essence shows itself have then to be analysed. In turn the concrete analysis permits more exact abstractions, the development of categories and the discovery of laws, all of which in the end permit a more exact formulation of the fundamental social relation in the society.

In societies where the property relation is clearly expressed there is no problem in recognising the existence of different classes. There is a problem of analysis, but that is quite another matter. Where the property relation is difficult to penetrate, attempts to establish ownership can be convoluted. The Althusserian-Bettelheimian conception of method rejects the view that essences or laws stand behind phenomena with the crippling result that they are reduced to operating only with contradictions among phenomena. Little is achieved beyond pointing out the existence of the contradictions. Thus, Bettelheim correctly points to the fact that nationalisation can be only formal, but his solution takes us no further than the arguments of those who use "ownership"

-
1. J. Tomlinson, "Hillel Ticktin and Professor Bettelheim: A Reply". *Critique* 8.
 2. "Towards a Political Economy of the USSR", *Critique* 1; "Political Economy of the Soviet Intellectual", *Critique* 2; "The Contradictions of Soviet Society and Professor Bettelheim", *Critique* 6.

(whether state-capitalist or bureaucratic-collectivist) because his category of possession is little more than a definition.³ It is incapable of showing the nature of a social relation, but instead relates only a subject and an object, or as Bettelheim often puts it, an “agent” and an “object”.

It is true that Bettelheim provides a definition of “possession”, which relates domination over the labour process and the material conditions of production. (It should be noted here that Tomlinson does not do justice to Bettelheim in relating the definition only to the ability to operate an enterprise). The problem is that a definition in terms of domination is susceptible to elastic interpretation. It is explicitly defined as not having to do with control, but it is not further refined in any way. In spite of statements that the social relations are the essential reality in this definition, they are not explained. It is undoubtedly a step forward from the simplistic view that nationalisation itself constitutes either socialism, social control or a workers’ state; but it remains at best superficial and at worst a justification for particular societies. By not establishing a clear social meaning for “domination” the way is left open for the argument that the masses dominate even in the absence of democratic mechanisms; they may thus dominate through the mechanism of a leader or through mass campaigns.

There is in fact only one way that a class analysis can get underway, and that is by addressing the question of exploitation, i.e., the relations of the exploited to the exploiter and the process by which these relations change. The principal category in this approach is that of *control over the surplus product*. There is no alternative to the use of this category so explicitly used by Marx as the fundamental category of class society.⁴ Bettelheim’s basic category of the relationship of a group to a thing which is employed to control the direct producer (i.e., the material conditions of production and the labour process or the means of production), in fact brings one back to the legal form, when it is precisely this form which obscures the real relationship between the social groups. Bettelheim is like all the other theorists so mesmerised by the role of the state: they theorise in terms of the phenomenal form of the ruling group, the state, and hence develop theories of a “state bureaucracy”, “state bourgeoisie”, “state-capitalist class”. In doing so they usually achieve little more than a “theory” which foists a Marxist theory of capitalism onto the USSR.

This is not to suggest that there is nothing more to be learned about the operations of Western capitalism; a view which Tomlinson would attribute to me. The fact remains, however, that the laws of capitalism have been fundamentally researched, and the specific categories in which they are to be formulated have been developed most notably by Marx; while such categorial

3. Charles Bettelheim, *Economic Calculation and Forms of Property*, RKP, London (1976) Chapter 3, pages 134-5.

4. Karl Marx, *Capital III*, Moscow (1971), p. 791: “The specific economic form, in which unpaid surplus labour is pumped out of direct producers, determines the relationship of rulers and ruled, as it grows directly out of production itself and, in turn, reacts upon it as a determining element. Upon this, however, is founded the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form”.

research specific to the concrete historical reality of the USSR is conspicuously absent from such work as I am criticising. It is no substitute for such research simply to assume that the categories developed by Marx for the analysis of the capitalist mode of production specifically, apply to the particular society now existing in the USSR. The question is what categories and abstractions are required if we are to arrive at the laws of motion of Soviet society? Methodologically, we cannot assume what is to be proven, and the only way to determine the nature of the USSR is through discovering and examining its laws of motion. Definitions of social groups, or of the relation of groups to things, remain static definitions, incapable of developing the analysis. The definition of a social group in the society can and should only be arrived at along with, and not in advance of, an analysis of the laws of motion and specific categories of that society. As a result, for all his individual insights (e.g., on the nature of planning), Bettelheim (and the same goes for Cliff) provides only general slogans with a superimposition of theory on history. The reason for this is that they have not developed a theory of development of the society. The question of the nature of the USSR cannot be solved in the domain of categories and concepts alone. The concrete reality has to be incorporated into the analysis, and in this process the categories may have to be changed, developed or invented. The Althusserian approach is in the end an idealist one which substitutes theory conjured out of the mind, for theoretical analysis of a concrete essence. The one fundamental category which has been derived from a concrete analysis of class society is precisely that of the relationship through which the surplus product is extracted. Even this, however, is not immutable when applied as the fundamental category to a new society as yet unanalysed, anymore that it applies immutably, or exists in the same form, in capitalism and slave-owning society. "Bureaucracy" and "bourgeoisie" are terms applicable to social formations other than the USSR, and should only be used with extreme caution if one is to avoid the kind of theoretical befuddlement achieved by Rostovtzeff in his uncritical writings about an ancient Hellenic and Roman "bourgeoisie". This does not mean that there may not be discernable trends in the USSR similar to some in the West; it means that such trends must first be detected and not just deduced. It is precisely this imposition of theory, or rather of a preconceived theory, on reality that makes Althusserianism so peculiarly barren and ultimately idealist. Matters are no different in principle with those who would propose (or impose) an analogy as a theory of the USSR. Today a number of thinkers have tended towards a comparison of the USSR with the Asiatic Mode of Production.⁵

2. Asiatic Mode of Production and the Insecurity of the Soviet Elite

It is useful to compare the USSR with the Asiatic Mode of Production (AMP) in order both to explain the appearance of similarity between them and to expose the shortcomings of those theories that take the appearance for a reality, and

5. Rudolf Bahro, Rudi Dutschke, Ivan Szelenyi and other Hungarians of the left, are among theorists of this kind.

those that make “possession” the basic category of analysis. The obvious similarities are the existence of a central bureaucracy, atomised units, relative stagnation, and nationalised property. On examination, however, it turns out that all these aspects have a very different character in the two cases. On the question of ownership and possession, Marx argues that it was the village that possessed the land rather than the despot at the centre, who could exact rent for his ownership in the form of taxes, whether in labour, kind or money.⁶ There was here, in the relation between possessor and owner, a relation between possessor and the group in control of the centrally held surplus product.

In Bettelheim’s conception of the USSR there is a possessor but no owner. Indeed possession, Bettelheim’s basic category, would have to imply that in the USSR the possessors have some relation to the owners of the economy — through rent or tax or some other form — as well as to the workers. In the AMP the centre controlled the nationalised property in irrigation etc., together with the surplus product extracted from the peasantry by the despot and his bureaucracy, they were either owners in fact or in law or both. In the USSR, on the other hand, nationalised property cannot be written off so simply. Here either the possessors of state property are the individual owners, or, alternatively, there must be collective ownership. Thus both the Bettelheim and AMP arguments return to ownership and indeed to collective ownership since it will scarcely be argued by anyone that there is individual ownership in the USSR.

It has been argued that collective property has existed before in history, and not just in the AMP but also in the case of the Church under feudalism. Indeed this is also argued by state-capitalists. There is another form of the “collective property” argument: that the workers are the repositories of state property and that they are the owners as opposed to the possessors of state property (although this terminology is not employed). This latter argument can easily be disposed of by appealing to the reality of the USSR. There are no institutions, no mechanisms whereby the workers can express themselves or their control in any positive way. On the contrary they have been repressed in a way unique in human history and possibly to a more extreme degree than ever before. The draconian labour laws and labour camps of the period 1930-53 were enough to ensure that the working-class was crushed. The first argument is more subtle than the workers’-state argument, to which reference will be made later. There are two problems with the AMP view.

The first question that has to be asked is a factual one. Was there indeed collective ownership in these social formations? The answer is not unequivocal, since there clearly existed a hierarchical structure with a supreme ruler. It is possible, therefore to argue that the despot was indeed the owner, or perhaps

6. Karl Marx, *Capital* III, Moscow (1971) p. 771. Marx’s letter to Engels, June 14, 1853. *Grundrisse*, Penguin, London (1973) p. 473. A detailed exposition of the Asiatic Mode of Production in Marx’s work and Marxism is given by Marian Sawer, *Marxism and the Question of the Asiatic Mode of Production*, Martinus Nijhoff, The Hague (1977). This excellent work has provided the background for some of the references which follow. A simple and detailed bibliography of references by Marx to the AMP is given in the latest edition of *The Great Soviet Encyclopaedia*.

that the despot and the court circle constituted those who controlled the surplus product. In this case the bureaucracy would be a subservient group and not an independent collective. In other words, bureaucracy, hitherto, has always been a subservient social group. Even in those cases, like Russia, where they played a greater role in society, it was only because of the relative paralysis of the two contending classes. The peculiar situation of the USSR is that the "bureaucracy" is independent and has no social group to which it owes allegiance — but nonetheless it does not own the means of production. The individuals that compose it have no independent social basis for their privilege or membership of the "bureaucracy"; everything depends, for them, on their continuing occupation of their positions in the apparatus. This leads to the question whether the "bureaucracy" can be said collectively to control the surplus product.

Even if the bureaucracy in the AMP was partially subservient it may have played a greater or lesser role in determining the direction of the surplus product. This would have been made particularly simple in a static society of the kind usually described. Accumulation did not occur, the central apparatus and the irrigation tasks were more or less invariant while the village was self-sufficient and more or less reproduced itself. Under these circumstances a caste structure becomes possible and a collegial ruling class can be established. In the USSR, however, there is a dynamic economy, and although some may argue that it is static it is a stagnation of growth. In other words the amounts produced in the different sectors are increasing, but owing to the waste in the economy the effect on living standards is low. Indeed, this very relative stagnation causes greater upheaval than would occur in an economy whose stagnation was static as in the AMP, because the waste itself causes constant disruption, which in turn leads to repeated attempts at re-organisation. As a result, the number of units in the economy is constantly growing with the parallel extinction of other units, which require a line of control. Unlike the AMP there is no supreme ruler or despot who owns or controls the surplus product. (The case of Stalin is discussed separately below).

It is clear that nobody can dispose of the means of production as he desires, since to achieve any object the individual is dependent on others, whether above, below or alongside him. Nevertheless, the repeated and unpredictable changes in the organisation of the society compel him to act as a self-interested individual. There are two reasons for this. (1) Firstly, in the absence of any collective mechanism which can exist over a period of time, the constant change of personnel and positions forces the individual to keep his own counsel and look after himself. Even if we ignore the changes in the political structure, the economic re-organisation arising from the attempt to introduce the market, together with the introduction of the trusts (both of which followed the earlier upheavals of Khrushchev and were themselves undone in subsequent upheavals) can only make the individual cautious. He never knows what might happen to him tomorrow. This is just as true for the members of the Politburo as it is for the factory director. During Stalin's time the constant purges made this point obvious and the history of that period is engraved in the memory of all. (2) Secondly and more importantly, however, the insecurity of the individual is

ensured by the extra-legal measures which a member of the elite cannot avoid perpetrating if he is to achieve any apparent success in his particular job. The failure of the economy has always forced individual members of the elite to find their own methods to ensure that production goes on.

How best to describe the nature of this Soviet alternative to planning is a question of debate. Thus the term "market" can only be applied with great reservation here, since the law of value does not operate even in the so-called "black market"; and for the same reason the use of words for various lighter shades, e.g., the "grey" market, does nothing to advance the analysis (in fact it is only a reflection of the fact that those Soviet emigré authors who use such terms, can, like Western economists, see no alternative to the market). In fact the Soviet alternative to planning is much more like a bargaining process akin to barter at a sophisticated level.⁷ Money really plays only a secondary role or none at all in this process. (The role of money is discussed separately below). It is obvious that if money exists as the universal equivalent then a certain social relation must exist also. In fact it is only in capitalist society that money can play this role. In the absence of classical money, as universal equivalent, the individual becomes *directly* dependent on others, and so he loses his apparent independence as an owner of commodities, and his social actions lose the impersonal character that commodity fetishism lends to them. It is this which forces the individual in the elite to act directly in relation to others in the elite, and which, since he possesses no property, makes him vulnerable to sudden changes and to the whims of others. When, however, he finds that success is only to be obtained by cheating the system, he has no choice but to cheat the system. Thus the factory director cannot give the correct information to the centre on pain of being either censured or given an impossible target for the following period. He has to hoard those goods and skilled men that are in short supply. He has to organise extra-legal exchanges with other enterprises in order to obtain goods that are in short supply. As a result, the director is vulnerable to attack from any of his enemies. This illustration could be duplicated for most spheres of activity, so that it is in general the case that anyone can lose his post should he antagonise the wrong people.

A situation has been reached where all members of the elite are insecure and where there is no secure head to the hierarchy. The situation is complicated, however, by the very limitations which arise when the individual derives his power and privilege from his hierarchical position alone. Necessarily, the elite struggles on two fronts; individually, each has to struggle to maintain his position or secure promotion; as a group, the elite must struggle to reproduce itself. Khrushchev referred 20 years ago to the difficulty that children of the elite can have to enter higher education, and to the attempts made by many to

7. The argument on bargaining flows from the empirical data, some of which is well provided by the standard orthodox works such as those of Granick and Berliner. V. Andrie's book *Managerial Power in the Soviet Union*, reviewed by N. Lampert in *Critique* 8, also provides the documentation and description of the position of the enterprise manager. He is depicted in all these works as a man who has to have the opportunity to operate independently from the official plan in order to fulfil the nominal plan.

circumvent the competitive examinations. The struggles within the capitalist class are conducted indirectly through the market, in the USSR such struggles are direct and uncamouflaged and consequently they are more vicious. The limited number of positions in the elite, and its hierarchical structure in which the most privilege goes to those at the apex, inevitably leads to brutal competition, particularly in a society where elementary forms of scarcity predominate. This can only increase the insecurity of the members of the elite in their positions and it naturally leads them towards a desire for the independence which is born of a market.

Thus, individual members of the elite exist in a situation of constant flux, insecurity and competition, with no title to anything. It is true that they exist as a group in so far as they receive the surplus product from the exploitation of the working-class. In this respect, however, they are no different from the most private capitalist class or of any ruling class and are no more collective. The significant difference lies in the fact that whereas the capitalist does control his firm, his means of production, and has a title to them on an individual basis, there is no analogue for members of the elite in the USSR. Only the dogmatists of right or left can ignore the fact to this day private companies are either individually controlled by persons or families or by the small group of persons who own shares in companies. It makes little difference that there is a delegation of authority to others within the same circle, those who own shares or property. Again studies have shown that the boards of public companies, insurance companies etc., are composed of persons of the same ilk.⁸ We have not yet reached a managerial capitalism, in spite of what Burnham and other apologists for capitalism have tried and failed to demonstrate. Unlike his Soviet counterpart, the capitalist manager acquires property, both personal (house, car, money) and social (shares and other titles to property). It is this that gives him his security and his ability to transmit his ruling-class situation to his offspring. The argument, then, is that the Soviet manager, and other members of the elite, exist as competitive individuals, and that no collective mechanism exists to establish their title to property. Neither individually nor collectively can they dispose of state property either to themselves or to the West for their own immediate gain. Going beyond the legal form of property, the competitive individuals in the elite do not, as *individuals*, have any means of control over the surplus product. Such control as they have must be acquired through their positions; it is the position which gives the control. The question is, then, to what degree the

8. As Baran and Sweezy have noted in *Monopoly Capital*, Monthly Review, New York (1966), p. 34: "There is no justification for concluding from this that managements in general are divorced from ownership in general". Indeed as the study of Blume, Crocket and Friend shows, *Survey of Current Business* (November 1974), only 1% of persons in the USA owned just over half of all the shares in the USA. There is no diffusion of ownership and there is thus no need to take the next step back, as in the USSR, to see who controls the surplus product. It is clear where control lies, but what is not so clear is the exact mechanism of exerting the control that goes with ownership. The argument of the "global capitalist" is unhelpful since it is effectively producing a non-historical category. That there are tendencies to socialisation within capitalism is not to be doubted, but they are contradictory to capitalism and do not represent capitalism's highest form. This very important issue is to be discussed in a subsequent article.

individual has any really effective control over the surplus product by reason of his position. The only way this could be shown would be by establishing that the surplus product is controlled through the planning process.

3. *Control and Planning in the USSR*

It has to be realised that everything in the analysis of the USSR hangs on the argument about the nature of planning in the USSR. It is the control over planning which provides the key to understanding what has happened to the society, who controls the surplus product and hence what classes or social groups exist. Here it is interesting that such totally opposed theorists as Trotsky and Bettelheim agree that planning without democracy threatens the planning process itself. In view of Trotsky's statements to this effect, which were made 40 years ago, it must be assumed that Trotsky would hold that planning had ceased to exist today.

"The manifestation of disproportion, wastefulness, and entanglement, constantly increasing, threaten to undermine the very foundations of planned economy."; and again on the same page: "Democracy . . . is the one and only conceivable mechanism for preparing the socialist system of economy and realising it in life."⁹

There is no way of evading this quotation from Trotsky, and it is high time that Trotskyists faced up to the implications of the view that planning and dictatorship are incompatible. Bettelheim, on the other hand, takes the view that where the direct producers do not dominate politically, planned economic relations become a mere semblance of planning.¹⁰ Commodity relations then become dominant. This view has the advantage of being logical and following directly from the political need of a transitional society to dominate commodity relations. If the view that commodity relations are important in the USSR is rejected, as it has been argued it should in *Critiques 1* and *6*, then the question arises as to what is dominant. The view that in the USSR planning has been reduced to organisation is straightforward. As long as the direct producers are not involved in the planning process calculation and information are impossible, while the imposing of targets is simply negated by those who either do not agree with the targets or are not interested in their fulfilment. It has to be admitted that Von Mises and Von Hayek are not to be refuted in the manner of Lange and Lerner, who were trying to use a market under the control of the state as the basis for their conception of a functioning socialist society.¹¹ If the market is entirely rejected, as it has been in the USSR and as it would be under socialism, then there can be no single yardstick such as is provided by the law of value. Direct comparisons and inter-relations between sectors would have to come into existence, and input-output analysis, programming etc., would have to be used

9. Leon Trotsky, "Does the Soviet Government still follow the Principles adopted twenty years ago?", January 13, 1938, *Writings of Leon Trotsky, 1937-8*, Pathfinder Press, New York (1976).

10. Bettelheim, *ibid*, pp. 117-118.

11. Oskar Lange and Fred M. Taylor, *On the Economic Theory of Socialism*, New York (1938, repr. 1964): "As such sole producer, the state maintains exchange relations with its citizens, buying their productive services with money and selling to them the commodities which it produces".

on a larger scale than at present. But, in any case, it is both unnecessary and wrong that the centre should have comprehensively to plan all relations of the economy. A system of planned decentralisation is quite possible, but only if the local units act in the interests of the society as a whole. This, in turn, is possible only given a socialist system of incentives: if the working-class is able to identify with the society as a whole, and they could only do that if they were in direct control, themselves, both at the centre and the periphery. There is no system of incentives intermediate between that of socialism and that of the market. It is the link between the self-interest of the individual and the interest of the society as a whole that is provided in socialism — in direct non-contradictory form. Under socialism, calculation would have to be direct through using computations of concrete labour, in contrast with the market where value is determined through abstract labour. Since abstract labour cannot exist under socialism, as the dehumanised homogeneous labourer has ceased to exist and the specific needs of the population have become dominant, only relations of needs to concrete labour are possible. People will work because they want to work, because it is their need to work, and will not need to interpret instructions from another body in a way peculiarly suited to their own selfish anti-social interests. Once they do not twist the meaning of instructions, simple and direct instructions become possible and limited calculations will suffice. The odd mistakes would be allowed for and tautness of planning would be unnecessary and would not occur.

This excursus on the contrast between socialist planning and the market is intended to show the impossibility of such socialist planning in the USSR. If the law of value does not exist in the USSR then neither does abstract labour. Indeed how could abstract labour exist where there is no competition and the labour force is controlled to the point that it is restricted in movement between towns and even, at certain times and for certain employees, between factories? There would have to be a labour market with workers selling their labour-power, and it is altogether dubious that there is. In fact workers work at their own pace, and determine the quality of their product. There are constant and hectic attempts to upgrade norms, to improve technique and to improve and homogenize the worker. These attempts are necessarily haphazard, and lead to great differences at all levels. The worker is individualised and prevented from collective action so that he relates to his own work and not to other individuals. In effect, the negative control of the working-class over the surplus product and the limited control that the worker retains over his work-process is the ultimate source of the elite's restricted control of the surplus product. The detailed argument on this point is provided in *Critique 6*.

In view of Tomlinson's accusations and those of Rotermundt and Schmiederer, it is as well to make clear that their mutually contradictory assertions about labour-power in the USSR reflect their misunderstanding of the argument.¹² Rotermundt and Schmiederer in a series of misunderstandings, somehow take me to be arguing that labour-power is a commodity in the USSR. Tomlinson, on the other hand, takes me to be arguing that labour-power is not a commodity because of the nature of the wage form. Neither view is accurate and nor are they supported by the text. Tomlinson is peculiarly abusive and it is odd, for one so

12. Rainer Rotermundt and Ursula Schmiederer, "Social Structure and Foreign Policy in the Soviet Union", in Egbert Jahn (ed.) *Soviet Foreign Policy: Its Social and Economic Conditions*, Allison and Busby, London (1978) p. 93.

certain that he is one of the few Marxists in Britain, that he did not trouble to arrive at a sound understanding of the argument. Effectively, the argument is that the worker does not sell his labour-power because the pre-conditions for such a sale are absent. He is neither free to sell his labour power, nor is he free of the means of production. The relative absence of money creates a situation where relations have to be direct and immediate, but they must flow from some source, in the USSR this source is the work-place. The worker does not have a choice to starve or work; he has to work on pain of being declared a parasite. What is even more important is that the individual's mode of existence is established through the work-place. He has to go to work simply to establish the same social relationships which he might otherwise (in capitalism) establish through money or in his leisure time. The political reason for this point is dealt with later. The point is that it does not follow that the individual sells his labour-power simply from the fact that he does not either own or possess the means of production. He alienates his labour-power in a particular way such that he has retained a limited control over his work-process. This issue will be discussed in more detail in a subsequent article.

The essential point of the argument is that planning is impossible where calculation is impossible and where the workforce operates in its own way. If this is so, and the argument can only be carried further through the argument on money and the nature of abstract and concrete labour, then the question as to who controls the surplus product is left open. If the elite does not control the surplus product individually, and the elite cannot control it collectively through planning, then who does control the surplus product and how do they do it?

This problem has to be solved, and it cannot be solved by repeated incantation about a working-class or about a state-capitalist or bourgeois class which are somehow deduced into existence. Nor can it be solved by arguing that because the USSR is not socialist there must therefore be a capitalist class, which in the end is Bettelheim's view. The concrete truth must prevail. Clearly the situation is complicated, more so than under capitalism, and it is this higher level of contradiction which makes analysis so peculiarly difficult. This philosophical problem will be taken up in the next article.

To argue that planning is impossible in the USSR is not to argue that administration and organisation do not go on, for they are two quite different things. This difference is not merely terminological, as Mandel has sometimes implied. There is a real difference between genuine socialist planning and Soviet so-called "planning" which is really no more than a bargaining process at best, and a police process at worst. During the time of Stalin the secret police had the task of dealing with the control over agriculture, and the direction of labour was likewise achieved by compulsion. An economy with expanded reproduction cannot be operated through elementary force without incurring the sort of disastrous results which were inflicted on agriculture and the haphazard turmoil visited on the free workers. Today force is in the background, but to introduce doubt it is only necessary to realise that no five year plan succeeded, and that the ostensible object of all the plans, that is, to raise the general standard of living and to catch up and overtake America, has never been fulfilled as intended. If we consider an early plan, it is instructive to cite the experience of Mikoyan who found that the plant he was visiting had no plan (in 1935-6).¹³ (Again, it is not an answer, as

13. A. Mikoyan, "*Dobyemysya Izobiliya Pishchevykh Produktov*", *Partizdat*, pp. 23-4, Moscow (1936). Mikoyan found that the Ministries did not send out the enterprise plans in time.

Mandel argued at the Critique Conference in October 1977, that the plan is 80% fulfilled and that therefore planning exists. Eighty per cent fulfilment is a disaster, since with a 5% growth rate (say), 95% would only represent the same production as the previous year, while to plan 5% growth and get 3% does not require planning.) All that is required to achieve Soviet results is to establish linkages between plants with an understanding that production is to increase. The centre's job is to intervene in order to set up new sectors, to introduce change, to act as a fire brigade where problems arise, and above all to serve as the central bargaining unit with the task of enforcing the agreed bargains.

It has been the first of these tasks, i.e., establishing new sectors, which has given the system its semblance of planning. The fulfilment of this task however, was infinitely easier when industry was very limited in extent, and force was the major means of control, as they were under Stalin. To put it another way, while the extraction of the surplus product was proceeding through the reproduction of the absolute surplus, the role of the centre could appear as more decisive in achieving results. This question is discussed in the section 7 on the origins of the elite.

Various observers have described the chaos which existed at that time. An excellent description, relating to the period of 1932-4, is provided by Andrew Smith: "the sacrifice of quality for quantity, the wastage and neglect of materials and machines, a continuous effort to cut the cost of production, at the expense of the workers. . . ." This was to explain why "we spend more time overhauling and repairing inefficient machines that it would take to make new ones". His factory programme, which was ostensibly ahead of its plan, "was all bluff. We were actually behind. Our budget did not balance." The chief reason for this was waste of raw materials, and the result was that, "a large percentage of the finished products were being returned as defective."¹⁴ For this kind of result an increasing absorption of labour power would ensure increasing production, but to call this "planning" is to devalue the term. It is interesting that the same description could be applied to the present, with the important difference that this system is now institutionalised, so that there is now a vast repair sector, raw materials are hoarded, returns are assumed to contain an element of concealment so that an arbitrary percentage is added to the enterprise growth target irrespective of the real situation, and the standard expected of the Soviet product has been automatically lowered.¹⁵ There was thus a flexibility about the system which tended to disappear as the system grew, and as the use of the absolute surplus product declined. In other words, while the number of sectors and factories was relatively small and the incoming labour force large, direction was easy and change could be rapid. That the results were different from those anticipated is neither here nor there; the national product in terms of steel etc., increased at a rapid rate. This system is closer to the building of pyramids, in its essence, than to planning. The widespread application of compulsory direction over society can undoubtedly achieve results, but to call

14. Andrew Smith, *I was a Soviet Worker*, London (1937) pp. 152, 193.

15. In a recent survey of the Ukraine, it was found that there were some 5-6 times as many repair plants in the engineering sector as there were engineering manufacturing plants, and that as a consequence the numbers employed in manufacturing and repair were equal. S. Pokropivnyi, "Povysheniye Effektivnosti Remonta Promyshlennovo Oborudovaniya", *Voprosy Ekonomiki*, 2 (1978) p. 46f.

this "planning" is to use the term in a new way. It deceives the supporters of planning and gives that hostage to fortune which the right has been so quick to pick up: that planning is the Road to Serfdom.

The reduced flexibility in the system as it is today, shows in the decline in growth rates. But its most striking manifestation is to be seen in the difficulties the system has in introducing new technology and in its increasing "capital-output" ratios. Thus, a recent article points to the fact that the USSR now produces and has more metal cutting tools than the USA, while at the same time their rate of utilisation has consistently declined over the past decade or so.¹⁶ The increasing precision required of modern technical equipment runs wholly counter to the system inherited from the '30's where poor quality still allowed growth and where expansion absorbed more labour-power and produced more products. Today, improved machinery can, and usually does, lead to increases in costs and can actually lead to a drop in production.¹⁷ Productivity can actually drop through attempts to raise productivity. This brings us back to the question of labour-power which is discussed below. At this point, however, we are compelled to conclude that "Soviet planning" can actually lead not only to lower results than intended but even to their opposite.

4. *Partial Control: Its Meaning*

Four conclusions can be reached in this necessarily brief discussion on the nature of "Soviet planning".

(1) Firstly, that the control over the absolute surplus product has always been greater than the control over the relative surplus product.

(2) Secondly, the elite cannot appropriate the whole of the usable surplus product. This phenomenon shows itself in two forms: consumption and production. The system does not permit certain forms of private consumption and limits others. Foreign travel, cars and housing are obvious examples. Only the very top of the elite are less restricted, and even then only as long as they continue to occupy their positions. This accounts for the obvious fact that the rest of the elite are worse off than their Western counterparts. The reason lies in the instability of their positions in production. Individually, they have limited control and collectively they are limited by their relation to the working-class: at a micro-level the system has to permit both relatively easy work in the labour-process and a constantly rising standard of living. As a result it becomes impossible to introduce consumer goods which would both siphon off resources for the elite and act as a divisive symbol. Had the economy been more efficient, it would have been possible to introduce these consumer goods quickly on a mass scale. As it is, they can only be divisive in the way that the car is, for the elite still has to hide its privileges. On the one hand, the transparency of the system, a system without commodity production and commodity fetishism, makes obvious privilege an immediate source of discontent, while on the other hand the inefficiency of the system does not permit gradations of personal property. As an example of the latter case, the car is enormously expensive and effectively of one

16. D. Palterovich, "Uluchsheniye Ispol'zovaniya Oborudovaniya v Mashinostroyenii", *Voprosy Ekonomiki*, no. 5 (1978) pp. 46-7. The decline is traced to the lack of skilled labour, decline in prestige of the trade, the workers' preference for leisure rather than working shifts, and poor planning for the use and distribution of the machinery.

17. Cf. the discussion in *Critique* 6, pp. 30-31 of V. Loginov's important article "Aktual'nye problemy mekhanizatsii proizvodstva", *Kommunist*, No. 18, December (1974), Moscow.

kind. There is no second-hand market with lower prices. On the contrary a second-hand car is little different in price from a new one. The production of cars and the attendant change in roads, suburbs and so on, has thus had to be limited to a relatively small number which did not satisfy even a minority of the elite for many years. Today a larger proportion of the elite is benefiting, although supply is still insufficient to benefit all members of the elite. They cannot afford to divert the enormous amount of resources required to satisfy themselves and sections of the intelligentsia at a time when food shortages remain basic to the system.

In terms of production, the question is: to what extent are the central planners able to appropriate the surplus product from the enterprises? It is clear that a portion of the surplus product simply has to be stored in order to reduce the load on the enterprise workers and to produce ostensibly successful results. The problem here is that there is no way of estimating the quantities that exist in this form. Likewise the enterprise management is not free to dispose of its "reserves" as it wishes, but is constrained both by its relations to its workers and by its relations with other enterprises which are under similar constraints. The result is that appropriation is impossible since it is not clear where the surplus exists, how big it is or even what it is. Only guesses are possible.

(3) Thirdly, while appropriation is limited, the size and direction of movement of the surplus product are even more limited. Some argue that the same is true of any social formation and of capitalism in particular. But this is not to compare like with like. The capitalist class under capitalism can exist only in the form of independent units, each accumulating and each in competition with others. Hitherto no other form of market has come into existence. Even under Fascism and in models of state-capitalism the market continues to prevail with the law of value dominant, and with competition, though limited, still playing an important role. Hence, the question of who controls the surplus product under capitalism is not a global one in the concrete situation but one of who controls the surplus product at the level of direct ownership of the means of production. The owner of the firm is dependent on the realisation of his product so that he is dependent on the market for the size and direction of movement of his product. Under capitalism, however, it is not the surplus *product* that is calculated but surplus *value*, and the question is what happens to this surplus value. Once produced as surplus value, it is in the hands of the owner or owners. What happens to it is entirely dependent on him. It is true that he is constrained by the laws of the market if he wishes to continue to be a capitalist, but he can decide to go against the market, to change the market, or, if the operation is large enough, to determine the market. Apart from the freedom to appropriate or lose his surplus value, he is, more realistically, in a situation where he can invest where he wishes. The fact that he is subject to the constraints of the market reflects the dominance of the law of value over society. The constraints in the USSR are more severe than under capitalism. Whereas the contradiction under capitalism is between exchange value and use value, in the USSR it is within the product itself.

(4) Fourthly, it is this contradiction *within* the product which is the source of the problem. What is at issue is not the surplus product unrealised or the potential surplus product, but the comparison of the actual surplus product with the actually existing surplus value. This is the essence of the problem. The instructions of the capitalist are obeyed on pain of dismissal or a financial disincentive. In the USSR, economic instructions are in fact countermanded, while

appearing to be fulfilled.¹⁸ The result only appears in a form for which no sanction is possible. The effect is that the elite are governed by the system more than the capitalist class is under capitalism. In any class social formation it must be true that the ruling-class is governed by its own system, and to that extent the USSR shares the limitations of any exploitative society. But in a social formation where they do not even know what the surplus is, where it is or how big it is, there is no way that the elite can give instructions capable of fulfilment. It is simply not possible to give all the instructions to the various persons along the chain of subordination such as would be necessary to ensure compliance with the original intentions of the Ministries. Where no unambiguous instruction can be given to local members of the elite, and no real sanction is possible in consequence, so-called distortions become the norm. Under the market, the profit motive gives sufficient instructions to subordinates to compel compliance. In its absence, only the goodwill of the individuals comprising the elite can be relied on. This is not enough, however, where their personal interests contradict their instructions. The haste of the planners, and the permanent tautness of the plans, is due to the necessity of their constant attempts to shore up the insecure position of the elite. These efforts are not without effect, for it is better to have a factory producing defective ball bearings than none at all; as a result the contradiction between the interests of the system as a whole and those of the individuals is partially overcome, as long as the absolute surplus product is what is required.

The relative surplus product always had to be produced and productivity raised, but the slowness of the rise in productivity has long been masked while relatively crude and less complex machinery was introduced. Modern complex, precision machinery demands democracy to a greater degree than ever before. Formerly precision machines could be adapted to the system in the USSR by being made less precise so that their introduction was more like the introduction of cruder machinery. But modern post-war technology has become too integrated and too precise for these adaptations to be successful. The result is that the system has exhausted its historical role of industrialising the country in order to establish the elite in its position. Consequently the elite now faces an insoluble crisis: it has to find means of decentralising without losing control completely. The increasing socialisation of the means of production, which is only another expression of the changing nature of technology, demands the maximum exchange of opinion on the shop floor and above. In the USSR, however, the members of the elite are brutally competitive, as we have seen, and are not prepared to share either information or the resources of their factory with any other person or unit. If they do, they must lose in the short run and there is no long run gain for themselves as individuals. Paradoxically, there is more exchange of views and communication within capitalism than there is in the USSR. The effect is that only short term expedients are possible.¹⁹

To return to the main thread of the discussion: the direction of investment is partially paralysed. Ultimately this is due to the negative attitude of the

18. The fictional nature of Soviet planning is discussed in "Towards a Political Economy of the USSR", *Critique 1*. Spring 1973.

19. Hence the absurdity of the small numbers of spare parts produced and the proliferation of artisan-like spare part manufacture. S. Pokropivnyi, *ibid.* (see n. 15) p. 38. The long run establishment of an efficient spare parts sector would absorb too many resources and might expand beyond control. It is easier, therefore, to let local enterprises improvise.

worker who can have no interest in his work and for whom there is neither incentive nor sanction, or at any rate, both incentive and sanction are very much more limited than those available to a capitalist system.

Under capitalism the contradiction between exchange value and use-value takes the form of a huge potential surplus which cannot be utilised because the value-form prevents both its production and, when produced, its realisation. This leads to the forms of underutilisation of capacity, unemployment, massive useless expenditure on arms and advertising, over-depreciation and rapid obsolescence. In the USSR, while aspects of these problems exist, the typical contradiction within production, or within the economy, takes the form of a product which has a contradiction within its use-value. This can appear in three ways. (a) The product can be of good quality but unsuitable for the task for which it was made. Thus six-inch screws cannot be used where one-inch screws are required. Shoes made in the fashions of the '20's may be of good quality but no-one wants them, still less can they be used if they are supplied in the wrong sizes. Since people have no choice in the USSR the six-inch screw has to be filed down to suit the purpose. The result is both wasteful of labour and inefficient. For consumer goods the result is to intensify the shortage of consumer goods and compel imports from the West. (b) Secondly the product can be of poor quality. This involves a number of factors. The poor quality might mean that the product wears out very rapidly, thus requiring rapid replacement. Alternatively, the product might not wear out, so much as simply not perform to specification; in other words, it might break. This leads to unpredictable stoppages and hence shortages, whereas the first case simply raises costs. Again, the product might not break down or wear out, but the cost of avoiding these failures might require a large amount of additional resources when the product is used in production, since the product has to be made very heavy and inflexible so that additional tools are needed to use it. (c) In the third place the good may be of good quality for the task intended but be technically backward. Given the nature of modern technology, this will tend to re-inforce the first two kinds of deficiency in products. Such defective products also tend to occur in capitalism but, given the laws of the market, they are driven into a secondary position. If a buyer wants to buy cheaper goods he can get them, though they will be poorer in quality. But he knows what he is doing, and the choice is his. He also has a redress against the seller. In the USSR, however, redress is meaningless, since there are no alternative goods available. It is better to have the product you can get rather than none at all.

The difference between the two systems, however, is not to be found in the respective quantities of waste, or in the different forms that waste takes, but rather in the differing natures of the mechanisms and mediations that have been formed by the different origins of these two forms of waste. In the end, this waste is a reflection of the impossibility of containing the increasingly socialised means of production within the framework of any undemocratic structure (or in Marx's terms, this waste, or potential surplus product, is a manifestation of the operation of fetters on the forces of production). In the capitalist formation it is commodity fetishism and unemployment that play primary roles in controlling and disciplining the working-class; in the USSR the relative absence of these controls requires the existence of an alternative, and this has been found in the political-social atomisation of the population, most particularly of the working-class. The effect of atomisation, however, is seen not in crises, but in the kind of product produced.

5. *Atomisation and the Contradiction of the Soviet Regime*

The contradiction of the Soviet system then, is that it is compelled to atomise the population in order to maintain the elite in power, but this political atomisation makes it impossible also to produce the surplus product it needs to maintain itself in power. We have argued that the elite needs to increase production for themselves, for their allies in the intelligentsia and for the working-class, in order to sustain acceptance of the system. Yet they find that their very illegitimacy, in being neither of the market nor of the working-class, forces them to prevent any form of collective or partially collective action which does not totally accept the *status-quo*.

So the elite are in the insoluble contradiction that they need to increase and improve production in order to stay in power; but their means of staying in power, namely, the atomisation of the population, prevents the kind of increase needed. Hence, the only solution is an external one: aid from the West. This could permit an attempt to move out of the contradiction back into the contradictions of the market. Their problem with this is that since the product is defective, backward and contradictory in its use-value, the system contains such levels of unpredictability that they are able to do little more than devise elaborate forms of organising it. They are not even able to predict what new deformations and distortions might arise with each attempt to deal with the previously dominant problem. To emphasise again a point that has been repeatedly misunderstood, to say that the system is not planned is not to say that it is not organised, or that this organisation does not lead to growth. It is only to say that the growth itself is self-contradictory and of such a kind as to have its own impasse. Where the relative surplus product is concerned, organisation alone is not enough to achieve the results previously achieved. Productivity cannot, without grave penalties, be raised by compulsion, and the defective nature of the product aggravates still further the difficulty in achieving rises in productivity. Consultation of a kind exists under capitalism, but in the USSR it is quite absent. The arbitrariness of the system means that correct production decisions are made, if at all, only by accident.²⁰ The reason lies in the conflict between the interest of the individual and that of the organisation. The contradiction between the law of self-interest and that of organisation results in the elite ostensibly "planning" because it has to in order to maintain the system in its own interests, while at the same time the individual interests of its members conflict with the "planning". The fundamental reason for this lies in the social relation between the elite and the working-class. The elite has had to allow the worker only an *individual* relation to his work, and with that it has had, unavoidably, to concede to him a limited degree of control over the work process; this limited control appears phenomenally in the quality of the goods produced and in other phenomena discussed above. It is this unavoidable

20. G. A. Aminova, "Nekotorye Voprosy Sotsial'no-Ekonomicheskogo Planirovaniya", in *Informatsionnye Byulleten*, no. 50, of the Institute for Concrete Social Research of the Academy of Sciences, Moscow (1971) p. 14. She writes here of the practice of simply copying the "social plan" from other enterprises which arises because of the instructions to produce such plans rapidly and present them to the Ministries. She also writes about the total lack of consultation with workers or specialists, and the consequent ineffectual nature of these so-called "plans".

concession which compels the elite to run an organisational apparatus which holds the worker in check. This is required in two ways: firstly in the direct sense of control by the whole police apparatus of pass books, labour books and so forth together with labour discipline and labour organisation at the work-place; secondly through the whole economic apparatus. If this second point sounds far-fetched it should be noted that the well-known economist Sonin has said that all economic problems of the local factory are reducible to the question of labour discipline.²¹

6. *The Reason for Atomisation and its Relation to the Economic Form*

Thus the argument is that the individual has a political relation to his work-place in two senses: firstly in terms of control and secondly in terms of the necessity to work. In exploitative modes of production until this epoch, man worked because of economic necessity and the control exercised was economic but also ideological. Two features have changed such as to distinguish the present epoch from all previous history. Firstly, the enormous power of the state, which in the USSR today surpasses anything previously existing in Russia. Secondly, only in this epoch, and this is the nature of this epoch, could a *real* alternative to exploitative society be contemplated. It is real because a real revolution conducted in the name of this alternative has taken place, and in these circumstances ideology may no longer be adequate to suppress the working-class. For the West the economic domination of capital is supplemented by the horror of Stalinism and its modern incarnation, together with the abysmal failure of social democracy. To many in the West there does indeed appear to be no tolerable alternative than to accept the power of capital over their labour-power. In the USSR there is no domination of capital over the direct producer, and an alternative does appear possible. The immediate alternative appears to be the market and, hence, capitalism.

A second alternative remains, however Utopian it seems to most, namely, socialism. Its reality, however, is given by the unreality of the present organisation, which does not appear to the direct producer to be more than a hiatus between different systems. The constant re-organisation of production points only to its instability, and the only alternative to the market is some form of democratic workers' control over production. However dimly perceived, action by workers, as workers, can lead only in the direction of greater workers' control over production. There is no other direction possible, unless the workers' movement is diverted by the activities of the market reformers and right-wing

21. M. Sonin, "Problemy raspredeleniya i ispol'zovaniya trydovyykh resursov", *Sotsialisticheskii Trud*, No. 3 (1977) p. 94ff. In this very important article, Sonin argues for greater mechanisation, particularly of the "auxiliary sector". He points to the shortage of labour, high turnover, poor discipline, loss of work-time during shifts and through absenteeism, lack of spare parts, machinery breakdowns, poor planning, lack of supplies, absence of portage and transport facilities etc. But he then suggests that in the end all these defects can be traced back along a chain which leads to the lack of labour discipline. He points to the fact that the majority of industrial workers perform their tasks by hand, rather than with machinery, and that one third of those are involved in heavy physical work. His detailed arguments will be incorporated and discussed in a subsequent article.

intellectuals, who would counterpose general civil rights to workers rights, or argue the case of the workers in trade union terms assuming the rights of management. Within the USSR these right-wing groups have hitherto met only rebuffs because the workers instinctively reject such intellectuals. If these intellectuals could integrate the working-class into their movement, it could well set back the socialist movement for decades, because the elite would no longer have anything to fear in introducing the market reforms they envisaged earlier. It would be absurd to claim that the working-class of the USSR is socialist, but it is not absurd to claim that their situation is such that their demands are necessarily of a subversive kind, because this can be shown to be true. One simple indication of this is that repression and the power of the state is required on a scale hitherto unknown.

In the West workers' demands are not immediately subversive, and consequently a state of a lower order is normally required. Where revolution is on the agenda, as in those societies which have experienced Fascism, then a more powerful state may be required. Indeed this would be true to some degree, not just of Fascist and post-Fascist societies but of the whole present epoch; indeed, the state has had to develop its apparatus in every country. Its forms have, however, been different at different times, in different places and social systems. But despite all this, the fact remains that the force existing in the West, and in previous human history, is necessarily of a lower order than that existing in the USSR. To sum up: in the USSR, economic necessity and ideology are unable to perform the necessary means of incorporation into the labour process, so that sheer force is necessarily required at the level of the extraction of the surplus product.

Although the KGB stands at the centre of the social system, force should not be understood simply in terms of guns and terror. It is force operating through the whole organised process of production. The worker works because he has to work. He does not really have the alternative to starve or opt for an easier life in some way. He cannot organise to change the relations with the elite, and he cannot even *discuss* such a possibility.

Thus we return to the question of the elite and its nature. While the extraction of the surplus product is only partially controlled by the elite, it necessarily complements its partial control over labour-power by its political control and politicisation of labour-power. It is these two aspects which appear to bring the Soviet ruling group more within the concept of an elite, in that their power is not that of a class but is highly politicised. On the other hand, the political aspect is a consequence of the non-class aspect (the partial control), and so it is secondary to the economic aspect. The whole analysis is, therefore, only an extension of a class analysis. It has been argued that the term "class" should be used, whether or not it is appropriate as used hitherto. It is argued that the category of class has been different in every mode of production. This is not so if we base our analysis, as Marx did, on the question of control over the surplus product and then proceed to compare modes of production to the position in the USSR.

It is the partial control over the surplus product, its politicisation and the instability of the social system that makes the system unique. It also makes its

social groups unique. Without doubt tendencies exist in the West such that social groupings can be compared, but there is nothing in the West with which the Soviet elite could be identified or even reasonably compared. As a result there is no term that readily applies without shortcomings to this upper social group in the USSR. Only two choices remain: to use a defective term, or to invent one. The category and its relations remain, whatever choice is made. The term "bureaucracy" has the defect of incorporating sections of the population who are not in the ruling group, and has the added problem that the term was used before 1917 to refer to a more or less subservient group existing within that class society. The "independent bureaucratic ruling group" is probably a correct designation, in that it brings out the contradiction between the independence of the group from other social groups and its dependence on them through a particular structure. All three terms, including "elite", are misleading because of their different popular usages, or because of the usual definitions employed in sociology which cannot be ignored. It appears premature to invent a term, so it is perhaps best at present to compromise using an existing word and giving it the content outlined. For this reason I prefer to use the word "elite", and to redefine it as: a social group which is involved in the exploitation of the direct producers and has partial control over the surplus product extracted, but which can maintain its exploitation only in the form of direct political measures, involving the use of the state.

The all-important problem left unresolved is that of the relation of the political to the economic, both theoretically in terms of the system, and empirically in terms of the composition of the elite. As regards the theoretical problem, the crude "base-superstructure" relation does not fit, but neither does the less crude but equally simple Althusserian "overdetermination" or "in the last instance" version. The problem is particularly complex because of the nature of the society, which, not being a mode of production, is at a higher level of contradiction than a mode of production. No general rules of the kind that "economics does not determine politics" can be deduced, because it is clear that the overthrow of capitalism and the transition to socialism must in any case usher in a period where politics become fundamental.

In the case of the Soviet Union, however, the social relation is fundamental and primary, i.e., the relation between the elite and the working-class determines the nature of the society. This has been the argument hitherto, but it has to be observed that the dependence of the political on the economic relation exists in a new form. *The economic relation can only exist through the political relation, so that the economic relation is expressed through a political form.* Concretely, this means that the elite have to exist in a direct political relation with the working-class through the secret police and its ramifications, and through the Communist Party. This does indeed limit the nature of the economic relation, and means that the removal of the political form would make it necessary for the elite to find an alternative economic relation. As has been argued above, they would have alternatives, and they may even manage to exist for a short time without the political form so that the economic relation would remain the primary element, but one limited and regulated by its political form.

7. *The Origins of the Elite: The Extraction of the Absolute Surplus*

We have argued that there exists an elite which has so limited a control over the surplus product that it can operate with it only within very tight constraints. How could such a group have come into existence, and what consequences follow for the social system? We have seen that the ever-changing nature, form and size of the surplus product constantly threatens individual positions, and demands re-organisation of those positions. The member of the elite is thrown onto his own resources; he cannot exist collectively but only in forced dependence. In contrast, the relatively static AMP has an established line of control over the surplus, and the use of the surplus product being uniform an apparent collegiality could exist.

The limitation of control over the surplus derives historically from the fact that the group in power established itself under conditions that made any more substantial form of control impossible. The bureaucracy of the time — the '20's — had evolved from a market situation in a period of appalling scarcity. Russia itself had been described as semi-Asiatic, and had only a weak bourgeoisie before the revolution. The peasantry were even more isolated in their villages than the peasantry further to the West. They also had the classic feature of the Asiatic Mode of Production, i.e., their self-sufficiency. This provided them with a weapon against the centre which could only be destroyed with a counter weapon — terror. Under these conditions, a nascent bourgeoisie or petite-bourgeoisie had no real prospect of success in the period after the revolution. The amalgam of specialists used to better times, upwardly mobile workers, and corrupted communist functionaries could only maintain their privileges by destroying the power of the peasantry, while at the same establishing their power base in the industrialising towns. The market could not possibly have coped with the need both to deal with the peasantry and to rapidly build up the towns. Furthermore, the market would have given too much leverage to the emergent working-class. Under these circumstances the market could not be employed, although the group in power utilised many of its features: massive material incentives, vast inequalities, and the hierarchical structure of a factory within a market. However much they may have preferred the market (for indeed the corruption of the Communist Party was born of it), during the black market of War Communism and the open market of the New Economic Policy there was no way it could be introduced. As a result they established themselves as an elite which would have preferred to be a class but which could not become one. The backwardness of Russia assisted this development and possibly hastened it, though it might well have been inevitable. In a developed country the alternative development for such an elite would almost certainly have followed the lines of the present demands of the elite: the development of a controlled market with competing enterprises operating on the basis of profit. Of its nature, such a development would have to lead into the re-establishment of private capital. In a developed country it would take some time for such an elite to establish itself.

The historic mission of Stalin was to establish the mechanism for mobilizing the absolute surplus in order to establish the domination of the Soviet elite.

It was accomplished by building a massive apparatus of coercion: through draconian labour laws and controls over the working-class, through the super-exploitation of the peasantry, through the vast system of labour camps, through the exploitation of other countries, and through the super-exploitation of women. It was also maintained through the continuous flow of peasants into the towns — which was also originally based on force.

This overall process permitted a high rate of growth, but because it was based on force, and essentially involved only the absolute surplus, calculation was a secondary matter. Indeed in the earliest period calculation would have been a hindrance, since the application of force is largely governed by political-economic expediency. It is also probable that Stalin, representing the emerging elite, was unaware of the historical forces driving him to apply his controls where he felt it essential. That too meant that the process appeared as haphazard and pragmatic to its executants. Although he could refer to the abolition of the law of value in this period, since his voluntarism could be cloaked with Marxist language, in reality he was only providing a justification for the rule of force.

Indeed, it was true that in the '30's the law of value was subordinated to the extraction of the surplus product through the mobilisation of the work-force by a terrorist apparatus (political). Like any such attempts it could not rely on any part of itself and the consequent mistrust required maximum centralisation. Since the specific details required for the fulfilment of its orders could only be dealt with on the spot, the inevitable result was chaos at the local level. The costs of such a mobilisation, in terms of poor quality production, misuse of machinery, sabotage, misallocation of investment at all levels, low levels of production norms, etc., have still to be counted. The real question regarding the issue of the mode of production is what this inefficient but partially successful mobilisation of the absolute surplus constitutes.

That it continues to the present, in modified form, is clear. To call it primitive socialist accumulation is fundamentally wrong. Firstly because it has nothing in common with socialism, which as a matter of policy, could not permit the use of force by an elite on a defenceless working-class, because the formation of socialism is absolutely incompatible with such a development. Secondly, accumulation must be accumulation of values. Though force was the essential instrument in obtaining the gold, the silver, the spices or slaves in past centuries, they all constituted commodities which then formed the means for establishing economic control over the free labourer. This was not the process in the USSR where the absence of competition or the market permitted a far higher degree of control over the work-force than was ever achieved under capitalism. Nor can one argue that it is state-capitalist primitive accumulation, unless one re-defines "capitalism". For there is no attempt to make a profit either at the factory level or even at the level of the administration.

Let us consider why the accumulation (a word which we can employ for the moment) was proceeding in this period of the 30's? The reason was not that Stalin had decided to have such a high rate of investment that it greatly exceeded consumer goods production. On the contrary, for the plans showed the reverse: consumer goods' growth rate exceeding the rate of growth of producer goods.

The drive was emphatically not towards an increasing surplus and in fact collectivisation did not serve this purpose as Ellman has shown.²² If collectivisation did not serve the purpose of increasing the extraction of the surplus product from the peasantry, it could only have served a political purpose: one of establishing the position of the new emerging Soviet elite against all other forces. It is true that the rate of exploitation of the working-class was increased but this was in part due to the failures of collectivisation. In addition one should take into account the enormous inefficiency of this period which has already been mentioned.

To put the matter another way, neither in intention nor in result was the mobilisation of the absolute surplus comparable to the drive for profits or surplus value existing under any conceivable form of capitalism. The industrialisation of the USSR consequent on the mobilisation of the absolute surplus served specific purposes: to establish a social base for the Soviet elite and so destroy internal opposition, and to maintain defence against an external threat. These were specific purposes for a particular period in a particular country. China, which was formed under other circumstances and with a peasant base, could not have been expected to follow the same path. The expropriation of the peasantry on a large scale, which is a feature of primitive accumulation, did not serve the same purpose in the USSR, for its distinctive result was to deplete the resources of agriculture down to the present day and to supply the towns with a disgruntled working-class which had to be politically controlled.

The alternative strategy, which would have had to be a capitalist one, was admittedly unlikely to be introduced. It would have involved an extension of Bukharin's attitude, with capitalist farming coming into existence and the profits being used for industrialisation. Given the mass unemployment which already existed in the '20's, the urban working-class would not have been able to raise wages, and though industrialisation would have been slower, the industrial product would have been of higher quality and a more reasonable or balanced industrial structure would have developed. Self-sufficiency would not have been attempted, so that the overall result might have been an apparently lower growth rate, but one which provided for both a higher standard of living and an industry competitive with the rest of the world, both in its products and in its techniques. (We abstract here from two obvious points; first there was no indigenous capitalist class likely to follow this course and second that Bukharin was not in favour of such a course anyway. For both reasons, such a course was unlikely.)

Thus the historic task of Stalin and Stalinism cannot be said to be simply industrialisation, since if it were there was a better instrument to hand for achieving it. Such diverse countries as South Africa and Japan have built their industries in this way or in some variant of it. Soviet industrialisation was of a particular type, a form lower than that of capitalism and it was only an aspect of

22. Michael Ellman, "Did the agricultural surplus provide the resources for the increase in investment in the USSR during the first five year plan?" *The Economic Journal*, December 1975, p. 844.

the mobilisation of the absolute surplus. What is required is an elucidation of the nature of this mobilisation of the absolute surplus.

The specific nature of the industrialisation has been treated elsewhere in this article. The essence of that treatment is that the mobilisation of the absolute surplus was a requirement for the social existence of the emerging elite. Since they were opposed to private property they had to exclude the capitalist road. Their opposition to private property was not ideological; it was based rather on the fact that they had emerged in opposition to capitalism and were themselves based on nationalised concerns.²³ The introduction of the market would have meant that many in this elite, lacking any real skill, would have fallen in position and even those with technical skills would have had to accept a status lower than that of the factory managers, executives or capitalists. There would have been less need for planners and more for those used to the ways of conducting business as business. The market could not have served the purpose of providing a stable social position and social support for the new elite. Hence they had to destroy the market itself but maintain those aspects which buttressed their role (and their privilege). They themselves derived from a market (NEP), and they needed to maintain the disparities in income and social mobility which went with such a market situation. They wished to maintain the hierarchical situation of a market without themselves being displaced. This could only be done through embedding the market aspects in an administered system. For this purpose, however, they had to attack all elements which threatened their power. First the beneficiaries of NEP, the peasants and small capitalists, and then the working-class and its representatives. Since this almost exhausted the population, they had inevitably to attack the whole society. The result was that force played the principal role in the whole political economy of the society. Whereas under capitalism naked force appears as a secondary characteristic and its stability in its hey-day is guaranteed by rising productivity and the sharing of benefits however meagrely with an increasing part of the population, the Soviet elite had no such alternative to coercion. They had no role in history; they could not raise productivity relative to capitalism, and consequently the basis of their existence was force. Not simply terror, but a terrorist political economy, which by mobilising the absolute surplus was able to enmesh the whole population in an hierarchical and bureaucratic structure.

The essential contradiction of this Soviet elite, then, is that it was born of a market and wished to evolve towards it, but could not. Hence they continue to express their individual interests but through the prism of a social system other than capitalism. It is this contradiction which limits their power over the surplus product, for they are a social group which has no viable means of permanent existence. They are themselves a transitional group which came into existence because of the failure of the world revolution, and in circumstances where they could not restore capitalism.

23. "Thus almost all the members of the non-Communist intelligentsia with pre-war educations are now in the service of the Government, often important and responsible posts with relatively high salaries". John Maynard Keynes, *A Short View of Russia*, London (1925) p. 19.

8. *The Different Theories of the USSR: Outlines of a Critique*

From this viewpoint the different theories on the nature of the USSR appear as partial insights taken one-sidedly to extremes. (a) The state-capitalism theory has correctly seen the nature of the authority/power relations as a surrogate for the market derived from the market, but they take this to an extreme when they declare it to be capitalism itself, in the absence of the law of value. (b) The AMP theorists correctly note part of the conditions for the emergence of the elite, but go sadly wrong in comparing a society lacking accumulation with a society which does have expanded reproduction. They correctly note the importance of atomisation or isolation, but fail to realise that in the AMP it was the village that was isolated not the population as a whole, something which is unique to the USSR. Such a need could only arise on the basis of expanded reproduction and the formation of the proletariat, which then requires to be atomised. They see the appropriation of the surplus product by an elite, but do not see that in contrast to the USSR, the elite of the AMP receives revenue which it consumes and so has total control over the part of the surplus product it receives. In the process of expanded reproduction, however, contradictory laws operate — individual interest versus organisation — which negate production itself. As a result the elite has a very partial control over the surplus product. They cannot dispose of the surplus as they wish, unlike the elite of the AMP. This itself has been discussed but, at this point, it is the differences with the AMP that are important, and it would appear that the stagnation of the AMP lies in the consumption of the surplus, whereas in the USSR it lies in its productive negation. Essentially, the AMP theorists express little more than the political theories of the totalitarians, with the important difference that they bring out both the role of the bureaucracy as a social group in itself and the question of its control over the surplus product. They also point to the conditions for the emergence of the present elite, but only very partially because they do not take into account the development of the market and the existence of world capitalism.

(c) The workers'-state theorists correctly see the limitations on the elite, given by the absence of the law of value, but they do not explain these limitations nor do they provide any guide to the development of the system. They provide a mystical theory according to which the workers, by some magic, control the state simply because there is nationalisation and what is called "planning". On this theory, planning is necessarily in the workers' interest even if it operates to the detriment of the working-class. This can only be called a theory of the occult. The valuable part of this theory — the question of the limitations on the power of the elite — has to be explained in terms of the negation of the system itself not of the operation of the system in the interests of anyone but those who operate it.

Thus all these theories express one real tendency or another which they then develop one-sidedly into a false extreme. It has to be said that no analogy, whether with capitalism or AMP, can be more than an analogy. Equally a statement that a state is a workers' state says little about the society itself and the social classes or groups within it. Indeed this theory proceeds from the political to the economic, when the usual procedure has been the reverse: to consider the nature of class division first and only then reach a conclusion on the

nature of the state. Clearly where a political party based upon the proletariat is in power it may be legitimate to proceed in such a way but only because the proletariat is unable to exercise its own power; in such a case there is no problem about proceeding from the proletariat dominating other groups and classes even though they also utilise the state. In the USSR the party in power is clearly not proletarian and only reflects the social group in control of the surplus or in partial control of the surplus product.

9. *The USSR in Theoretical and Historical Perspective*

The case of the USSR is thus unique in history, and it can be understood in relation to the fact that the October revolution ushered in a period of world transition away from capitalism. As an epoch it is an epoch of the overthrow of capitalism and the development towards socialism. But it does not follow that individual societies within this epoch which overthrow capitalism need move towards socialism, for they may stagnate or return to capitalism. A special kind of combination may come into being which has no viability as a mode of production but performs specific tasks and has its own exploitative ruling group. The state-capitalists argue that these societies are capitalist, while the workers'-statists argue that they are on the lowest and deformed rung of socialism.²⁴ The bureaucratic-collectivists argue that it is a new mode of production in which the ruling group effectively own the means of production. None of these views offer a theory of development of these societies. They amount to little more than simple statements of a political kind, and for that reason they cannot find room for the more complex view that Stalinist-type societies are blind alleys in the world process of the transition towards socialism. Other transitions between modes of production must also have known false starts; developments which had to be superseded in order that society could complete its transition. We have been discussing an instance where the false start has actually retarded world history for decades. It is possible that the proletarian revolution, requiring for its completion a higher level of consciousness than any previous revolution is more susceptible to set-back than previous transitions. Soviet society stands in the limbo of a transitional epoch, with its own unviable class structure, with a method of production which is not a mode of production and which must therefore break asunder and develop either to capitalism or to socialism.

24. Ernest Mandel, "Ten Theses on the Social and Economic Laws Governing the Society Transitional Between Capitalism and Socialism", *Critique* 3.