

with the different and separate problems concerned with the degeneration of the Russian Revolution.

Schematically, all state collectivist societies will experience historically progressive phases when the new relations of production facilitate greater development of the productive forces and in other ways advance the societies in question (level of culture, health care, education etc.) more than was possible in their previous underdeveloped state. Later state collectivist regimes enter periods of crisis when existing production relations become a fetter on development of the productive forces. Development can still occur but each step forward becomes more

and more difficult. The system becomes increasingly vulnerable to opposition forces within it. But collapse is not inevitable. The crisis cannot be seen in a mechanistic way. It expresses itself in an intensification of the class struggle and, just as in the capitalist world, the crisis can only be overcome by a successful socialist revolution. Eventually we envisage socialism on a world scale will end the historical bifurcation we have alluded to above. Under socialism the three parts of the world (developed world, collectivist world, underdeveloped world) will converge into one universal society.

### The general applicability of the state collectivist model

To what extent can we say state collectivism exists outside the Soviet Union? We believe that East European societies such as Poland, Czechoslovakia, Hungary, Bulgaria, Rumania and Albania are all state collectivist while some colonial or semi-colonial countries that have experienced revolution in the last thirty years are either firmly established along state collectivist paths or are showing signs of becoming so, e.g. Mozambique, Angola. As far as the first series of countries is concerned — that is the East European bloc — few people would deny the basic structural similarities between them and the Soviet Union. That is not to say that these countries are all alike but we do not feel that the differences between them are such as to make them fundamentally different forms of society.

The question of countries like China, North Korea, Vietnam, Cuba, Mozambique and Angola is considerably more problematic. It is certainly not universally admitted that these societies have the same mode of production as the Soviet Union and we must be very careful as to our own classification. For one thing, there is a marked lack of evidence, particularly as regards Vietnam and North Korea which remain opaque to analysis from the West. Furthermore some of these societies have not stabilised sufficiently to allow conclusions to be drawn as to their nature. In the case of China the problems are of a very different order. Information on China is available in abundance but very little of it avoids being either uncritical or blindly hostile. The history of the New Left and of Marxist analysis outside the CPs is too recent to overcome the influence of dogmatic Maoism which tends towards Sinophilia or equally dogmatic Maophobia. Given these drawbacks, it is still possible to say something on this question.

Prior to 1960 even Maoists did not claim that China had a mode of production essentially different from that of the Soviet Union. And it was only after the Sino-Soviet split that the Chinese leadership argued that the two systems were different. (Before November 1976 when the Gang of Four were ousted the Chinese leadership claimed to be building socialism. This claim was coupled with the assertion that Stalin too had been building socialism. In the Soviet Union the process had stopped after Stalin's death and denunciation.) The arguments centred, as Rossanna Rosanda points out,<sup>16</sup> not initially on different foreign policies, but on Chinese economic policy following the Great Leap Forward of 1958-1962, which the Chinese claimed launched China on a completely different trajectory from that of the Soviet Union. Furthermore the Chinese argued that Khrushchev's denunciation of Stalin at the XXth Congress of the CPSU in 1956 and subsequent adjustments in Soviet planning were 'revisionist' and had launched the Soviet party onto the capitalist road. When the 'radical' faction of the Chinese leadership was in

the ascendancy there were some progressive trends in the Chinese model: the balanced emphasis on agriculture, light industry and heavy industry ('walking on two legs'); the trend towards mass participation at the base; the attempt not to alienate the peasantry; the creative attempts to resolve problems of technology. These trends clearly show a difference between the Chinese or the Maoist conception and the Soviet conception of 'socialist construction'. The trends of the Maoist model were fully unleashed with the mass upsurge associated with the Cultural Revolution of 1966-1969.<sup>17</sup>

However, all this should not cloud our minds to one feature in particular of post-revolutionary China. Namely the constancy, despite vigorous mass campaigns against it, of bureaucratic power. We believe the domination of the bureaucracy to be consonant with social relations of production that are clearly not those of a proletarian state. Thus while we can argue that the force of the masses has undoubtedly been felt in China and that the effects of this have clearly been noticeable in everyday life, we cannot say that China is socialist or in transition to socialism. We would tentatively suggest that the mode of production in China is state collectivism, though unlike in the Soviet Union it is possibly still in its progressive phase.

What criteria do we use when we claim that socialism is not being built in China? Firstly, is it possible to talk about building socialism without the existence of a proletarian dictatorship (the working class in its entirety, organised as the ruling class)? Secondly, does such a dictatorship exist in China?

1) Socialism has as one of its preconditions the dictatorship of the proletariat. This is made absolutely clear both by Marx and by Lenin. Lenin in particular, in *State and Revolution*, repeatedly stresses the centrality of the concept for Marx's theory of revolution:

The essence of Marx's theory of the state has been mastered only by those who realise that the dictatorship of a single class is necessary not only for every class society in general, not only for the proletariat which has overthrown the bourgeoisie, but also for the entire historical period which separates capitalism from 'classless society', from communism. . . the transition from capitalism to communism is certainly bound to yield a tremendous abundance and variety of political forms, but the essence will inevitably be the same: the dictatorship of the proletariat.<sup>18</sup>

In this formulation Lenin was adamant, as were Marx and Engels before him. And as the example of the Paris Commune showed, the smashed bourgeois state machine would be followed not by the abolition of democracy but by the development of a fuller democracy. Towards this end the proletarian state would involve the abolition of a standing army and all officials would be elected and subject

to immediate recall. Lenin writes:

As a matter of fact this 'only' signifies a gigantic replacement of certain institutions by other institutions of a fundamentally different type. This is exactly a case of quantity being transformed into quality: democracy, introduced as fully and consistently as is at all conceivable, is transformed from bourgeois into proletarian democracy; from the state into something which is no longer the state proper.<sup>19</sup>

These guarantees of proletarian power, such as immediate recallability of officials, must, it is clear, be grounded in independent working class institutions, outside the direct control of the proletarian party. The dictatorship of the proletariat is certainly something different from the rule of the party, let alone a party apparatus, but is in Marx's sense, the rule of the whole working class organised as the ruling class, sometimes in alliance with other toiling classes, and is in this sense the dictatorship of the majority. The dictatorship of the proletariat is inconsistent with the sovereignty of a single party; rather it is the sovereignty of the working class.

2) Is there a dictatorship of the proletariat in China? It is perhaps one of the most striking aspects of the system established by liberation in 1949, that there has been no establishment of *independent* revolutionary and democratic councils through which workers and peasants could actually wield power on a state level. Though the party has established various mass organisations these have not been given sovereign powers. As Maitan puts it:

The decisive factor, as even observers sympathetic to Maoism readily admit, is the immense power of decision vested in the top party and state organs. Such organs, which in China overlap even more than in other collectivist regimes, are responsible for all those major economic and political decisions which in the last analysis condition what goes on at a local level and in the different sectors of industry.<sup>20</sup>

The Cultural Revolution did not fundamentally change this situation. Following mass upheavals throughout 1966 and 1967, initially sparked off by one section of the bureaucracy, but which gradually developed their own momentum, there were shifts in the balance of class power in Chinese society. The 'seizures of power' which occurred throughout 1967-8 had immensely important effects. New organs of local grass roots democracy were set up – the Revolutionary Committees – consisting in roughly equal proportions of representatives of army, party and masses. However these 'seizures of power' had nothing in common with the seizure of power as it was formulated by Marx and Lenin, for this reason: they took power within the framework of the existing state machine, which itself was never threatened. The rebels were initially encouraged and

permitted to rebel against the opponents of Mao, never against Mao himself. The headquarters of Chairman Mao remained immune from challenge. Though for a time after the Cultural Révolution the mass organisations that sprung up had some independent power this steadily diminished as the movement subsided. This is reflected by the gradual development of dominance within the revolutionary committees of party cadres and army representatives, at the expense of the direct representatives of the masses. And since the death of Mao most of the gains of the Cultural Revolution for the masses have been lost.<sup>21</sup>

Despite the lack of proletarian power at the state level there was apparently a sizeable amount of democracy at the grass roots level. Decisions about organisation in the locality and factory seemed to be taken with the participation of the masses. The reasons for such a high level of democracy, or what we would prefer to call participation, at this level, related to the identification of the masses with a system which was able to guarantee a higher standard of living than in the past and was clearly eradicating the ills of the old China. However grass roots democracy was limited even in the heyday of the Cultural Revolution. It was confined much more to production team or brigade level, while already at commune level, where no substantial changes were made after the administrative reorganisation, actual power remained in the hands of party leaders and party officials.<sup>22</sup> The most important point though is that mass participation at a local level does not equal mass democracy. Such participation that exists takes place in structures which are controlled by, and on terms that are set by, the ruling bureaucracy. Mass democracy would involve the control of the masses over these structures and terms. In China such control has never been in the hands of the working class and peasantry.

The apparent existence of grass roots democracy and local involvement shows that China was very different from the Soviet Union. But there have never been grounds for workers' and peasants' dictatorship existed in China. To have made this conclusion would have been to misunderstand the Marxist conception of power. Power at the base must, if it is to be really dominant, be accompanied by power in the state apparatus. We can firmly conclude that China is not in transition to socialism nor is it any form of socialist society. All the available evidence would suggest that the Chinese social formation is dominated by a state collectivist mode of production. In particular the Tableau Economique, outlined above for the Soviet Union, seems to describe the economic structure of China. However this conclusion is not put forward definitively since the empirical evidence is not conclusive.



## The historically progressive stages of the system

Many socialists who are well disposed towards China would admit the validity of some of the points made above. However they may argue that the lack of democracy at the state level is the sole factor separating China from socialism. Why, given the central importance of proletarian democracy in all the Marxist classics, do these people minimise the significance of its absence?

a) Firstly because from all the evidence we have there seems to be a significant degree of identification with the system by the mass of the people.

b) Secondly, because immense progress has been made, with considerably fewer human costs than in Stalinist Russia, to resolve acute problems of underdevelopment. Both points are also true of Cuba.

With the conceptual framework provided by the theory of the new mode of production we feel these facts can be explained without drawing the conclusion that these countries are on the road to socialism. We would suggest that in China and in Cuba the state collectivist mode of production is in its progressive phase. It has been able to resolve many basic material problems and has to a considerable extent allowed the development of an industrial infrastructure. Production has been reorganised and productivity of labour has been increased in both China and Cuba. Much more development has been facilitated however through severance from the world capitalist market and more rational use of resources. All these advances are considerable and have resulted in a much wider identification with the system from the proletariat and peasantry than would have been possible under capitalism.

Unfortunately not all the problems of underdevelopment have been solved. This is partially due to the fact that industrialisation has simply been extensive rather than intensive. In China, agricultural production has had difficulty in keeping pace with population growth. Industrial production remains a small, if rapidly growing, sector. It would be wishful thinking to believe that these failures, despite all the strengths of the system, do not have serious consequences. The results of the 1978 11th Chinese Party Congress indicate that the new leadership is concerned about this situation. In this context we may well see a return to industrialisation more on Soviet lines with renewed emphasis on heavy industry and a more radical collectivisation and mechanisation process in agriculture. Though at present we have too little information to mount a detailed forecast of possible events in China.

It is clearly difficult to guess how the struggle will develop in China. Leaving aside for the present the question as to whether the present turn of events marks an end of the progressive phase we can say the following. There have been experiences of other state collectivist societies going through what can be understood as progressive phases before entering degenerative phases. Without necessarily drawing precise analogies it is useful to look at one such experience.

It is a common illusion that the regimes in Eastern Europe were installed and maintained by the force of Soviet bayonets alone. In fact in the first years after the second world war these regimes maintained a high degree of popular support and stability. This was primarily because to a large extent they fulfilled the needs of the masses. Kuron and Modzelewski point out how in Poland the new

system solved socio-economic problems which had to be coped with. This was the key to the Polish regime's initial mass support:

... objectively conditioned by the level of economic development and the socio-economic structure both of Tsarist Russia and Poland between the wars, as well as the vast majority of countries in our camp, given the fact of their relative international isolation, when their capitalist systems were abolished all these countries were backward with reserves of unused labour, unemployment in the cities, and even more important, overpopulation in the countryside. Their economies were dominated one way or another, by the capital of industrially developed, imperialist states. Under such conditions only industrialisation can bring real improvement of material, social and cultural conditions for the mass of the people in the cities and the countryside.<sup>23</sup>

and:

... production relations based on bureaucratic property insured rapid economic growth, and thanks to this the remaining classes and social strata within the bureaucratic system had real possibilities of improving their lot. Industrialisation opened the road to an improved standard of living and to a higher material, social and cultural status. . . . Mass social advancement, an end to overpopulation in the countryside and to unemployment were accompanied by an increase in the cultural level of the population in general, by the development of health services, social benefits, education etc. Thanks to this and despite coercion and terror, the bureaucracy found enthusiastic support from groups in all social strata. Its power found social support; its ideologists and propagandists could effectively impose its hegemony on society at large, since the achievements of industrialisation also meant the realisation of a general social interest. The class rule of the bureaucracy was based, therefore, on a solid foundation and was, therefore, a lasting rule, so long as production relationships — especially the class goal of production — corresponded to the requirements of economic development, in other words, until the foundations of modern industry were built.<sup>24</sup>

But the fulfilment of extensive industrialisation tasks has in Eastern Europe marked the end of the progressive phase of the state collectivist system. While it is possible in a bureaucratic way to implement extensive industrialisation 'by command', this mechanism has certain drawbacks; it is extremely inefficient in running an industrial society. Once a certain level of industrial sophistication has been reached, there are only two mechanisms flexible enough for running the system; either a capitalist market or a workers' democracy in which the mass of the direct producers are intimately involved in all aspects of the plan. The system's rigidity manifested itself in Poland in the inability of the bureaucracy to fulfil consumer needs, dysfunctions in the plan and eventual mass opposition.

An understanding of Poland from 1945 to 1960 shows that the system went through a progressive phase when it fulfilled its historical tasks. Important features of capitalist underdevelopment were overcome, in particular the rapid development of extensive industrialisation. Subsequently the system entered a period of crisis. In other state collectivist societies the contradictions may take different forms and proceed at a very different pace. Nonetheless contradictions will inevitably emerge.

## The period of crisis

Kuron and Modzelewski have argued that in Poland production is carried out 'for the sake of further production', and we believe that this is also the case in the Soviet Union and other state collectivist countries. That is to say the main goal of production is to increase the apparatus of production. However whereas in capitalism the growth of the productive hardware is mediated through the market, here production takes the form of ever increasing physical quantities of means of production. Accumulation is linked only in a partial way to the needs of the working class. This is not due to 'wrong ideas' or because some malevolent bureaucrat wants things to be like this. It is because of underlying class antagonisms and of the nature of the 'planning' that results from this.

The bureaucracy identifies with production for the sake of production and with the physical expansion of the productive apparatus for several interlinked reasons:

i) In the first place industrialisation itself is justification for the existence of the system and the directing role of the bureaucracy within it. The bureaucracy becomes completely identified with the goal of industrialisation.

ii) Once it achieves power the bureaucracy strives to perpetuate that power. Of all the produce of the society the only part that is actually appropriated by the bureaucratic class — apart from its own luxury and other consumption — is the accumulation fund which goes to expand the state sector of production. The bigger the accumulation fund is, the more successful and powerful the bureaucracy is and sees itself to be.

iii) Every ruling class and especially a ruling class identified with the state as is the bureaucracy, is concerned to strengthen and glorify the state, both with respect to their own society and with respect to the outside world. More concretely, the Soviet Union in particular has historically been under strong pressure from the capitalist world. Therefore these countries have always been concerned to build up their military might, which also involves expanding the productive hardware. (The whole set of factors concerning military competition and the arms race and the effects of this upon the Soviet economy were first brought to people's attention by Cliff. Indeed the observation is a very rational and useful insight. However we feel it is blown out of all perspective when it forms one of the bases for the state capitalist thesis.)

As a matter of historical fact the Soviet Union's five-year plans over-emphasise the production of producer goods. In practice the distortion between producer goods and consumption goods is exaggerated further. The plan is never fulfilled, in fact the imbalance becomes worse. As Kuron and Modzelewski succinctly put it:

In fact what we have here is not a contradiction between the objectives of the plan and the anti-stimuli resulting from faulty directives, but a contradiction between the class goal of the ruling bureaucracy (production for production) and the interests of the basic groups who achieve the production (maximum consumption). In other words, it is a contradiction between the class goal of production and it results from existing conditions, not from mismanagement.<sup>25</sup>

The plan does not work because of deeper contradictions which it reflects. Always there is a tautness about plans in the Soviet Union and Eastern Europe which precludes the actual achievement of the plan's targets. The planning which occurs isn't really planning at all. As G. Smith wrote in *Critique*: 'Effective planning requires accurate knowledge of existing resources and productive potential and on the basis of this, the establishment of consistent and realisable objectives.'<sup>26</sup>

In the Soviet Union, as in any state collectivist system, basic information of this type is not available or is available in such a form as to be useless. The basic reason for this lack of information is the absence of participation and involvement in the system by the working class. In other words for the intensive stage to be successful under a planned economy it is necessary that those who plan and those who are planned for should be one and the same social group. As Ticktin points out: 'To have a planned economy there must be a conscious control of the society and economy by the democratic representatives of the majority.'<sup>27</sup>

In a socialist society such problems as this would be resolved through mass democracy and working class control. In the more progressive phases of state collectivism the problems are of a different order, since extensive industrialisation is possible in the framework of bureaucratic production relations. Also mass identification with the system and participation within, at least at the grass roots, allow some measure of effective planning. In the Soviet Union, by virtue of its own dominance, the central political bureaucracy does not allow working class control. In the Soviet Union and in Eastern Europe the working class do not identify with the system and their participation within it is minimal. The planning mechanism therefore doesn't work with any degree of efficiency. The state is forced to resort to tampering with the plan's workings on an ad hoc basis, constantly intervening in the working of the plan. This is a system which Ticktin calls 'bureaucratic administration' rather than true planning.

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Hillel Ticktin has analysed the main features of this system in the Soviet Union. He has shown in detail how the bureaucracy are pushed into an ever tighter and more explosive contradiction by the irrationality of the system with which their interests lies. Not only is there a contradiction between the planners and the masses, but also within the plan between the sections of the political bureaucracy who administer the central plan and the enterprise managers at the local level. The enterprise managers at the local level take the attitude of trying to turn central instructions to their own benefit and in so doing distort the logic of the plan. Ticktin puts it as follows: 'There is a conflict between those who administer the economy centrally and those who deal with their instructions at a local level.'<sup>28</sup>

The main manifestation and effect of this system is the huge waste of production, or production of waste. This has been documented both by Ticktin for the Soviet case and by Kuron and Modzelewski in their analysis of Poland. Ticktin argues: 'The central economic feature of the USSR today is its enormous wastefulness and probably a tendency to increase waste.'<sup>29</sup>

This waste can be seen in many areas. The quality of production in the Soviet Union is very low, relating both to the frequently defective nature of machinery with which it is produced but also to the low standard of work which the bureaucracy gets out of the working class. Waste production is also singled out as being a significant feature of the state collectivist system by Kuron and Modzelewski in their analysis of Poland. Both raw materials and industrial capacity are wasted. Of the latter Kuron and Modzelewski comment:

The degree to which the productive potential on an industry-wide scale is made use of is not known to anyone and research in this area is complicated by the fact that enterprises seek to conceal their reserves. In the electromechanical industry, the degree of

utilisation of the productive potential is reckoned at 58% of its capacity. Full use of productive capacity in this one branch of industry only would increase the national income by 18 million zloty yearly. Failure to make full use of the productive apparatus is widespread; for instance, building machines in all the construction enterprises in the country are used at only 20% of capacity. Rejects ('Suble') for which there is no demand or which cannot be marketed because of poor quality, make for an excessive increase in reserves.<sup>30</sup>

Ticktin points out that in the Soviet Union waste is conspicuous in the massive repair sector that exists: 'The Soviet Union actually employs more people repairing machinery than making it.'<sup>31</sup>

The inefficiency of Soviet industry and the inflexibility also permits only the slowest introduction of new technology. Ticktin again:

The more you mechanise and free the basic personnel, the more repair and auxiliary workers are required with the absurd result that mechanisation turns into its opposite. . . . The problem is that mechanisation requires higher quality control and supervision, and where machinery is poorly made and tended, many more repair mechanics are needed.<sup>32</sup>

Finally there is massive underemployment:

One prominent economist inside the USSR in a speech reprinted subsequently is reputed to have put the figure at 15m individuals who could effectively be removed from production and output would be either unaffected or go up.<sup>33</sup>

The institutional framework behind this is the labour laws that guarantee employment to all and make it almost impossible for the employer to cut down on labour and increase productivity. (In passing we can note that security of employment is one of the few achievements that the working class of these countries have.) Because of the low levels of identification with the system by the Soviet working class there is further pressure towards a low level of productivity. Enterprise managers also contribute towards this high level of underemployment. Firstly because bonuses are calculated according to the gross wage bill, managers tend to hoard labour. Secondly they hoard labour because production tends to go in spurts. There is often a slack period at the beginning of the month and then a rush in the last few days to fulfil the quota.

The Soviet bureaucracy and indeed the bureaucracies of

Eastern Europe have mounted many attempts to deal with this situation. In the Soviet Union there have been attempts to create material incentives and thus to boost work-rates. However the effect of an increase in wages is small in the Soviet Union because, as we have mentioned, ability to buy consumer goods is hampered less by lack of money than by the low number of consumer goods on the market and the inefficiency of the distribution system. Khrushchev's virgin land policy of the early sixties was an attempt to boost food production by bringing previously uncultivated lands into production, thereby increasing the supply of food on the market, and creating the possibility of introducing material incentives. This attempt failed for various reasons. It was not an incidental failure but was at least partially due to the nature of the system itself, in particular to the difficulties associated with mechanisation.

The 1966 Economic Reforms and the Shchekino experiment were all part of an attempt to give local managers more room and encouragement to be profitable and boost productivity. These failed because the system gave insufficient power to local managers. The interests of both the bureaucracy and the working class are opposed to too high a level of managerial autonomy. The working class is opposed to such moves because they threaten security of employment. At the same time the bureaucracy itself cannot allow a drift too far in the direction of managerial autonomy at the local level. Real autonomy of enterprises is only possible on the basis of the free market. So long as the real basis for the economy is laid down in the form of a plan, there is little space for price mechanisms etc. which would be necessary for true autonomy of the enterprise.<sup>34</sup>

Lying at the heart of such problems are the contradictory social relations of these societies. The Soviet Union and other advanced state collectivist societies are in permanent crisis. They have been able to complete the tasks of extensive industrialisation and have developed an industrial infrastructure. But due to the nature of their productive relations they cannot complete the tasks of intensive industrialisation. These societies can raise productivity of labour only with immense difficulty. Each step forward is made only at the cost of an intensification of the class struggle. In order to more fully understand the crisis we must focus more on the nature of the class forces involved.

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## The opposition

Opposition comes from three classes:

i) *The Peasantry*. It is perhaps this class whose situation varies most from country to country. For this and other reasons we are unable to discuss it adequately in this article.

ii) *The Working Class*. In discussing the working class we must as a preliminary emphasise the centrality of working class socialist revolution as a solution to the crisis of state collectivist societies. The system has developed the socialisation of labour and therefore the potential strength of the working class. At the same time the working class does not have the rights of independent organisation and its workplace organisation cannot, at least in law, take institutional forms. Beyond these facts its situation is contradictory in other ways.

The working class suffers directly from the comparatively low quality of consumer goods and the low level of consumption. It is not so much that goods are too expensive, simply that they are inaccessible. Outside the main cities supplies of the basic foodstuffs are limited. Queueing, even for the most basic necessities, is essential.

But nevertheless, the system of 'planned' economy, spurious though the claims of its official apologists may be, has had many benefits for the working class, the most significant of which is the abolition of the labour market and unemployment. The absence of unemployment has two consequences which are of vital significance. The labour laws prevent a worker's dismissal except in exceptional circumstances and they make it illegal for him or her not to work. This means that whereas in capitalism dismissal is an important method of imposing labour discipline, this is not the accepted norm in state collectivist societies. Secondly it means productivity cannot so easily be increased through the intensification of labour. This is very important as the failure to increase productivity is a major weakness of the system. On the other hand workers are able, within certain limits, to avoid working hard. Holubenko has written:

The right not to work hard at the factory is one of the remaining rights which the Soviet worker holds . . . the Soviet worker will resist and 'carry on a clandestine economic struggle', as one Soviet



dissident puts it, against all efforts to intensify the work pace.<sup>35</sup>

As we noted above, attempts to increase labour mobility, such as the Shchekino experiment, have been keenly resisted by the workers. Neither material nor moral incentives are completely successful. The general degree of disillusionment and hostility to the regime precludes the introduction of moral incentives and the facts of direct distribution (perks) and shortages make wage incentives ineffective. As Ticktin puts it:

Money which can hardly be spent is of not much use. Nor can it even serve as a store of value in view of the way the Soviet state has in the past refused to repay government loans to the population and arbitrarily devalued the internal currency. Further, the real distribution differences as between the social groups are made in direct and natural form. The elite obtains its housing, chauffeur-driven cars, food, clothing, health, holidays etc., either free or at very low prices in their special shops . . . distribution, in other words, relates to a social group directly through state allocation or through direct contact.<sup>36</sup>

Because of all this the bureaucracy, which is unable to develop the society's wealth, is reduced to maintaining itself in power. This means that its only effective sanction against the working class is repressive administrative control. Such controls include the mass pressure of informers, police spies and severe sanctions. This is coupled with a high degree of ideological control extended, even more strongly than in advanced capitalism, through the media, education and the family.

It is worth noting that apart from the specific crisis of the system, state collectivism shares with all non-capitalist class systems a relative transparency of exploitation and oppression, and therefore the need for naked repression. (Capitalism is unique in that under it, exploitation and domination assume to a large extent mediated, impersonal forms, and forms imposed by the market and commodity relations etc. Hence capitalism can afford a more subtle form of control.) This means in turn that under state collectivism all industrial action taken by the working class is political. Workers automatically confront the whole system.

The combination of ideological and repressive control does not completely eradicate dissent. Increasingly such dissent is given open expression. The Soviet regime when faced with strikes reacts according to one account in the following way.<sup>37</sup> First it attempts to co-opt the trouble-makers by immediate acceptance of demands. If this does not work it resorts to open repression. Thus for example in 1962 in Novocherkassk, when mass rioting occurred, troops were quickly brought in to restore order and 10 people were shot. In some Eastern European countries the level of working class organisation is higher than in the Soviet Union. In Poland, for example the Polish working class has on several occasions thrown up its own organisations completely outside the bureaucracy's control.<sup>38</sup>

iii) *The Technocracy and the Intelligentsia*. We refer here to the lower echelons of the bureaucracy, the middle and low ranks of the intelligentsia and the enterprise managers. These sectors demand greater social and political freedoms and it is they who most admire the high consumption of their counterparts in advanced capitalism. For Ticktin they are . . . the most privatised and most opposed to organisation and they identify central administration and organisation with socialism.<sup>39</sup>

Their interests favour a return to capitalism. Such an ideology places them in opposition not simply to the bureaucracy but also to the working class. But at the same time there is a partial compatibility of interests between the working class and the technocracy/intelligentsia, since, in the short term, political freedoms and a thawing of the repressive apparatus are in the interests of both groups. The technocracy's pressure to reintroduce certain elements of capitalism will meet resistance. Neither in Eastern Europe where market forces are given a limited play nor in the USSR can capitalism be restored without a full scale revolution. This is because such a reintroduction would require fundamental structural changes. It is invalid to conceive of a return to capitalism by degrees.

Two questions concerning the mode of production remain to be answered before we can take up other issues: first, the question of class, and, secondly, that of transitionality.

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## Class

The body of socialists involved in the production of *Critique*, a journal from which much of our knowledge of the Soviet Union derives, do not believe that the system in the Soviet Union constitutes a new mode of production. One of their reasons for this is that they do not feel that 'the elite' or the central political bureaucracy is sufficiently consolidated to form a new class. To some extent the argument is semantic but the following points should be considered:

1) There is substantial evidence to suggest that the Soviet elite is not only stable, but is also capable of reproducing itself and the structures through which it dominates. The three channels through which the dominant class reproduces itself are, according to Rukovski: 'The distribution of opportunities for higher education, activities in organisations (the party) and the system of informal relations (marriage etc.) within the dominant class.'<sup>40</sup>

2) Class is not a supra-historical category. It is not just that each mode of production has its own classes specific to it. Also the very concept of what it is to be a class at all differs between modes of production. In other words not only classes themselves but the very category of class are different between different modes of production. Thus while the bureaucracy may not be a class in the sense in

which this term is used for capitalism, it can still be a class in the sense appropriate to state collectivism.

3) We believe that the Soviet bureaucracy is a ruling class basing itself on the control of the state apparatus and on its ability to control the process of production and the social surplus. The basis of dominance of the Soviet ruling class is, we believe, a characteristic one for ruling classes in state collectivist societies. For complicated historical reasons the bureaucracy in the Soviet Union and other state collectivist societies prefers to hide behind a bastardised version of Marxism rather than evolve a new independent ideology of its own. (For reasons of space we cannot discuss this at length here.) Thus under state collectivism the ruling class, perhaps more than other ruling classes in history, is reluctant to advertise itself and publicly admit that it is a class. It could then be argued that since the bureaucracy in the Soviet Union does not advertise itself as a class it is therefore not a class. Marxist analysis, however goes beyond the formal surface aspect of reality. We feel closer scrutiny and investigation show that the public admissions of the Soviet ruling class are at odds with their overwhelming power.

4) Even those commentators who do not admit the existence of a ruling class admit the existence of the

working class. Yet if the working class exists and, as we have argued, is exploited and is not the ruling or dominant class then another class must exist which is the ruling or dominant class. In Marx's theory of class, classes only exist

in relation to each other. Class is a relational concept. And if you have an exploited class it is inconceivable not to have a class that exploits.

## Transitionality

The idea that some or all of the state collectivist societies currently in existence are either *transitional* forms between capitalism and socialism or are societies *in transition* to socialism is a widely accepted one.

The concept of transitionality is to be found in Marx and Lenin. Unfortunately many developments of the concept have not maintained the rigour of its formulation in classical Marxism. The concept has been used: i) to denote contradictory developments; ii) to avoid the issue of where power lies; iii) to explain away new developments without threatening orthodox tenets. We argue against two

particular versions of transitionality. Firstly the Trotskyist version that sees the Soviet Union as a social formation *transitional* between capitalism and socialism. Secondly the Bettelheim version that sees China as a social formation *actually in transition* to socialism. *A social formation is transitional when its main central dynamic is the conflict between two competing modes of production* (e.g. capitalist and socialist). Also we would argue *a transition to socialism can only take place if state power is in the hands of the working class.*

## The Soviet Union as a transitional society

Bureaucratic planning in the Soviet Union does not in any way represent an element of socialism. As we have argued above, planning in itself is neither necessarily socialist or in the interests of the working class. On the other hand the elements of capitalism that existed there in the 1920s have been practically eliminated and market relations play a rather marginal role in the Soviet Union. In any case it would be completely erroneous to argue that within the Soviet Union a capitalist mode of production exists to any great extent.

In the early years of Soviet power the Soviet Union was characterised by a conflict between socialist planning and a capitalist market.

In those years the Soviet Union was indeed a transitional society. Under the overall control of a proletarian state, elements of capitalism and socialism co-existed as competing modes of production. Preobrazhensky explained this situation by arguing there was a contradiction between the law of planning and the law of the market. But whilst this was the case in the 1920s the same contradiction does not apply today. The 'law of market versus the law of the plan' is an inadequate concept for explaining the present social formation in the Soviet Union.

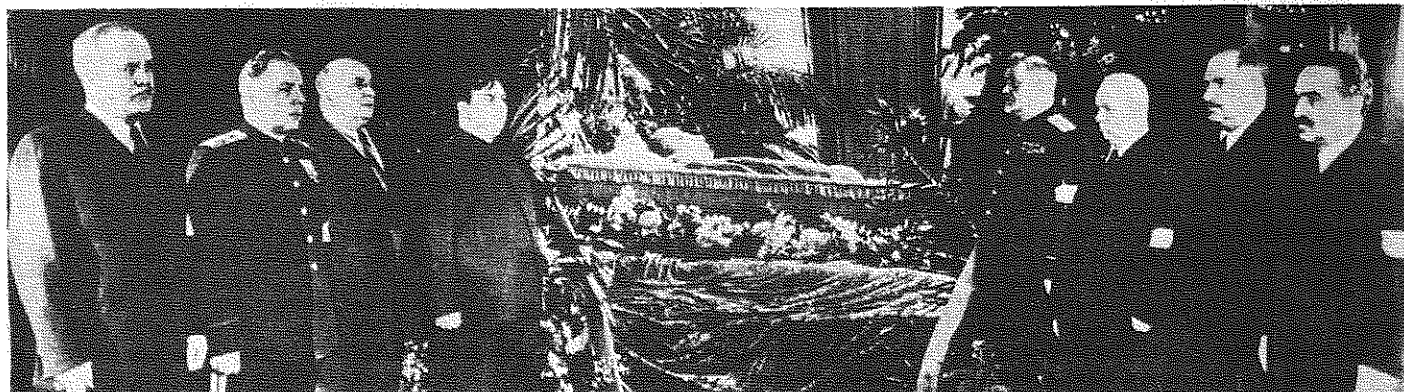
Trotskyists try to argue for their concept of transitionality by pointing out that the Soviet Union has some features in common with socialism and other features in common with capitalism. This method of arguing is an example of extreme formalist empiricism. It could, for example, be quite easy to show that the Soviet Union has some formal features in common with oriental despotism, but we would not argue that the Soviet Union is in transition between oriental despotism and something else.

If we apply this type of reasoning to biological taxonomy we could argue that birds have some features in common with mammals (warm blood) and other features in common with reptiles (laying eggs), and hence that birds are a transitional form between reptile and mammal. But this would be a mistaken conclusion, since from the point of view of evolution birds and mammals are both divergent from reptiles.

The Trotskyist categorisation does not afford any real insight into the dynamic of the system. For example, the Soviet Union has undergone great changes in the last few decades. But how are these changes to be assessed from the point of view of a theory of transitionality? Is the Soviet Union now 'nearer' capitalism than it was in 1937 or is it 'nearer' socialism.

The main mistake with the Trotskyist conception is that it presupposes that the development of the Soviet Union can be seen as taking place somewhere on a 'straight line' between capitalism and socialism. It does not envisage developments in the Soviet Union which could not be categorised either as 'going forward' towards socialism or 'going backwards' towards capitalism.

Finally some advocates of this type of categorisation argue that the Soviet Union is extremely unstable. But firstly the Soviet Union is certainly more stable than Trotsky imagined it to be in *The Revolution Betrayed*. Secondly the Soviet Union's social structure has reproduced itself over two generations and has spread itself over large parts of the globe. State collectivism may indeed be less stable than certain other modes of production, but then some modes of production are less stable than others . . .



Stalin's death saved some, condemned others. Left, Molotov, Voroshilov, Beria, Malenkov; right, Mikoyan, Kaganovich, Khrushchev, Bulganin

## Bettelheim: China as a transitional society, building socialism

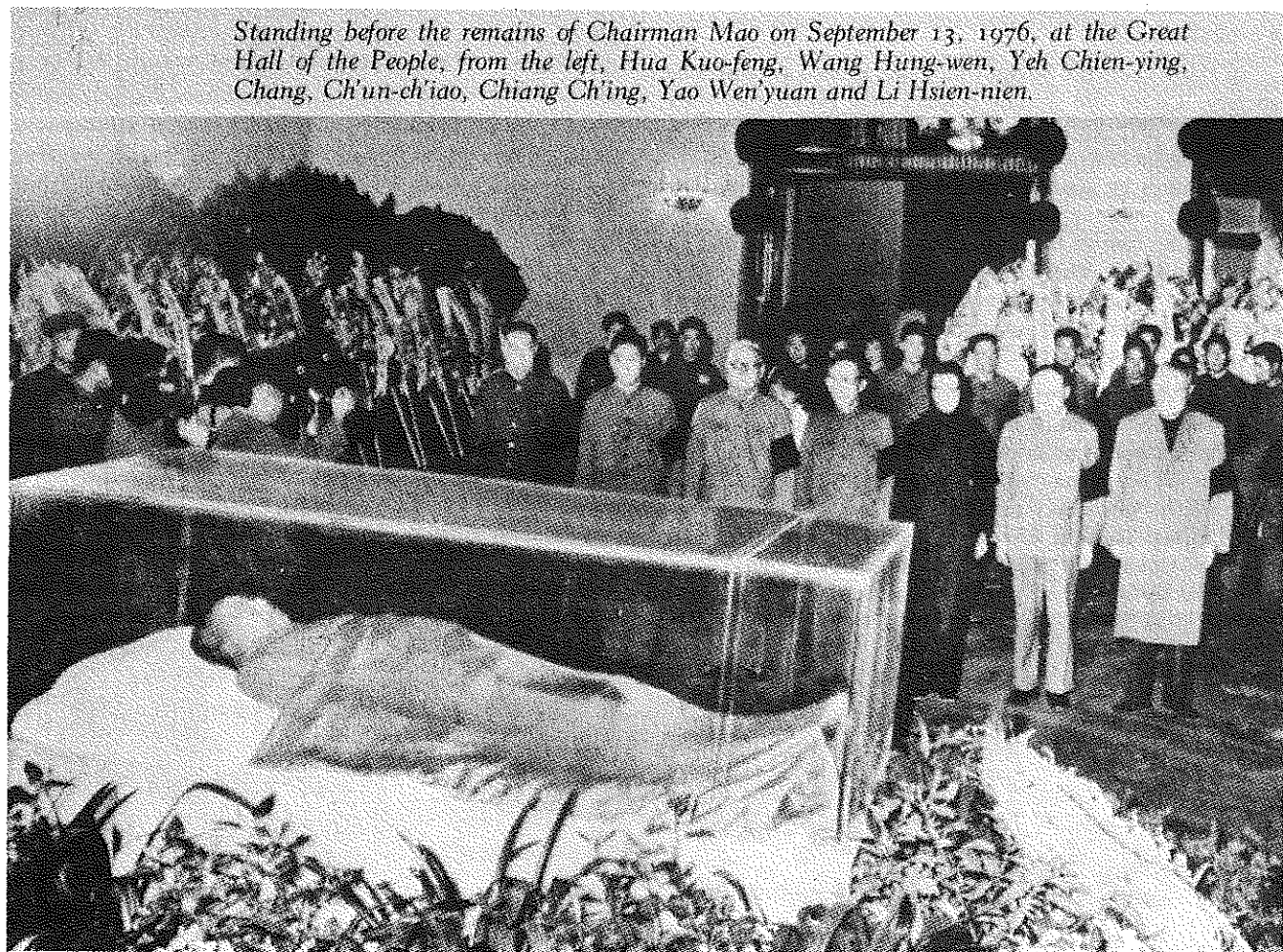
Whilst Charles Bettelheim has analysed the Soviet Union as a form of state capitalism, he has analysed China as being in transition to socialism. Before the fall of the 'gang of four', which Bettelheim saw as an important defeat for the socialist elements and an important victory for those seeking the restoration of capitalism, Bettelheim judged China to be building socialism. Up until this time therefore, in Bettelheim's view, China and the Soviet Union were contrasting examples of what could happen in societies which experienced a socialist revolution. On the one hand in the USSR degeneration of the revolution and normalisation of state capitalist relations of production; on the other hand a development in China which sees the socialist forces in the ascendancy and building socialism. Bettelheim's theoretical framework within which he makes this analysis invokes a theory of transitionality which we have many criticisms of. Before entering into these criticisms we should point out two areas in which we think Bettelheim's theory is valid and marks a positive contribution. His theory of transitionality is underlaid by a critique of economism. We would agree with Bettelheim on two points. 1) Bettelheim is absolutely correct to say that technological development *of itself* is an insufficient basis for socialist transformation. 2) He is also right to stress the fact that technology is not a neutral factor, that it embodies social relations and that the working class itself is part of the productive forces. These emphases allow Bettelheim to place working class control of the labour process itself as very central to any socialist transformation.

However in emphasising these aspects of the problem, we believe Bettelheim to have completely neglected other important aspects of what we believe to be the Marxist

conception of socialist transition. Bettelheim seriously underestimates the degree of democratic control necessary to ensure that the transition to socialism remains socialist and remains under the control of the proletariat. Working class power must form the political framework for socialist transformation. To have working class power, there must be a minimum development of the working class in the first place, and also of its *sovereign* democratic bodies. We believe Bettelheim seriously underestimates the degree of technological development which is generally necessary to facilitate the first of these developments. But in any case one thing is clear. The working class and peasants are not in power in China. Their democratic bodies, where they exist, are not independent of bureaucratic party control. At best what exists in China is a benevolent dictatorship of the bureaucracy.

Bettelheim's argument that China has veered away from socialism after the fall of the 'gang of four' we also believe to be erroneous. Indeed this view serves to re-emphasise his underestimation of the importance of working class power as the political framework for socialist transformation. The political changes which have seen the victory of the 'moderates' and the defeat of the 'radicals' have taken place within the existing state apparatus and within the structures established and controlled by the bureaucracy of the Chinese Communist Party. If Bettelheim's argument is correct then a social revolution has taken place whilst the structure of power has remained unchanged. In Bettelheim's view therefore an ideological change can constitute a fundamental structural change. In this we believe to be exhibited the extremely idealistic and voluntaristic content of the whole thesis.

*Standing before the remains of Chairman Mao on September 13, 1976, at the Great Hall of the People, from the left, Hua Kuo-feng, Wang Hung-wen, Yeh Chien-ying, Chang, Ch'un-ch'iao, Chiang Ch'ing, Yao Wen-yuan and Li Hsien-nien.*







*Tensions in Czechoslovakia. Scenes like these haunt the bureaucracies of Eastern Europe*

### Foreign policy

The question of the foreign policy of the USSR and China is a particularly complex one. We believe an understanding of these societies and their dynamic to be prerequisites for an understanding of their world role.

The Trotskyist movement has seen the problem purely in terms of the 'defence of the Soviet Union's All debates have shifted around the question, which really dates back to the period of capitalist encirclement of the Soviet Union. We believe the question, put in these terms, to be anachronistic.

The task of revolutionaries is to understand the problem from the point of view of world revolution as a whole. We support the most progressive elements in particular situations from this point of view. In the international arena socialists don't necessarily support the most historically advanced society. For example, we wouldn't support an imperialist advanced capitalist country against a dependent semi-feudal country in the event of a conflict between two such countries.<sup>41</sup> Having said this certain things should be made clear.

1) From the point of view of world socialist revolution there is a fundamental distinction between state collectivist societies and capitalist countries. Capitalism, being a market system, is expansionist by its very nature. It is impelled towards dominating the whole world, converting it into a market and moulding it in its own image. From this point of view there is no symmetry at all between capitalist imperialism and so-called Soviet 'imperialism'.

The Soviet Union's 'imperialism' should be seen predominantly as a response to capitalist imperialism deriving from political and military competition and from

its self-defence. Capitalist imperialism is an economic imperative and does not simply relate to a need to fortify its geographical fringe. An inner dynamic within capitalism sends it to dominate the whole globe.

2) State collectivist societies are cut off from the world capitalist market and in a world where the main historical contradiction is between world capitalism and the international working class, state collectivist regimes are certainly not the main enemy and could on occasion be seen as an ally, albeit an unreliable one.

3) Especially with reference to third world countries, state collectivist revolutions considerably weaken the world imperialist system. The struggles for national liberation which have preceded the establishment of societies which could well develop along state collectivist lines have served as an inspiration for the oppressed masses all over the world.

4) However for countries immediately under the Soviet yoke it must be clear that the main and most direct oppressor is the Soviet bureaucracy.

In conclusion, then, we must adopt a non-dogmatic attitude. Our analysis must not ignore the possibilities of state collectivist regimes supporting reactionary causes, such as China's support for the FNLA in Angola. It is dangerous to expect state collectivist regimes to support the socialist or progressive cause in every case. At the same time, we would argue against a position that depicts western imperialism and so-called Soviet imperialism as being symmetric. On the contrary we would regard the former as being the main enemy of the working class on a world scale.

### The consequences of our thesis for the theory of 'permanent revolution'

In examining Trotsky's theory of 'permanent revolution' we must distinguish its three different, if inter-related, aspects.<sup>42</sup>

One aspect of the theory concerns the socialist

revolution as such:

For an indefinitely long time and in constant internal struggle all social relations undergo transformation . . . Revolutions in economy, technique, science, family,

morals, everyday life, develop in complex reciprocal action and do not allow a society to achieve equilibrium. Therein lies the permanent character of the socialist revolution as such.<sup>43</sup>

A second aspect concerns the international character of the revolution:

In an isolated proletarian dictatorship, the internal and external contradictions grow inevitably along with the successes achieved. If it remains isolated, the proletarian state must finally fall victim to these contradictions. The way out for it lies only in the victory of the proletariat of the advanced countries. Viewed from this standpoint, a national revolution is not a self-contained whole; it is only a link in the international chain. The international revolution constitutes a permanent process, despite temporary declines and ebbs.<sup>44</sup>

We do not wish to disagree with these two aspects of Trotsky's theory; their validity is not challenged in any way by our thesis concerning the existence of a state collectivist mode of production. However, the theory of permanent revolution has a third aspect, which Trotsky himself regarded as the central idea of his theory. This aspect concerns the relationship between the socialist revolution and the tasks of the bourgeois-democratic revolution in under-developed countries. Trotsky tells us that

Vulgar Marxism has worked out a pattern of historical development according to which every bourgeois society sooner or later secures a democratic regime, after which the proletariat, under conditions of democracy, is gradually organised and educated for socialism... (They) considered democracy and socialism, for all peoples and countries, as two stages in the development of society which are not only entirely distinct but also are separated by a great distance of time from each other.

Against this conception Trotsky argues:

The theory of permanent revolution, which originated in 1905, declared war on these ideas and moods. It pointed out that the democratic tasks of the backwards bourgeois nations led directly, in our epoch, to the dictatorship of the proletariat and that

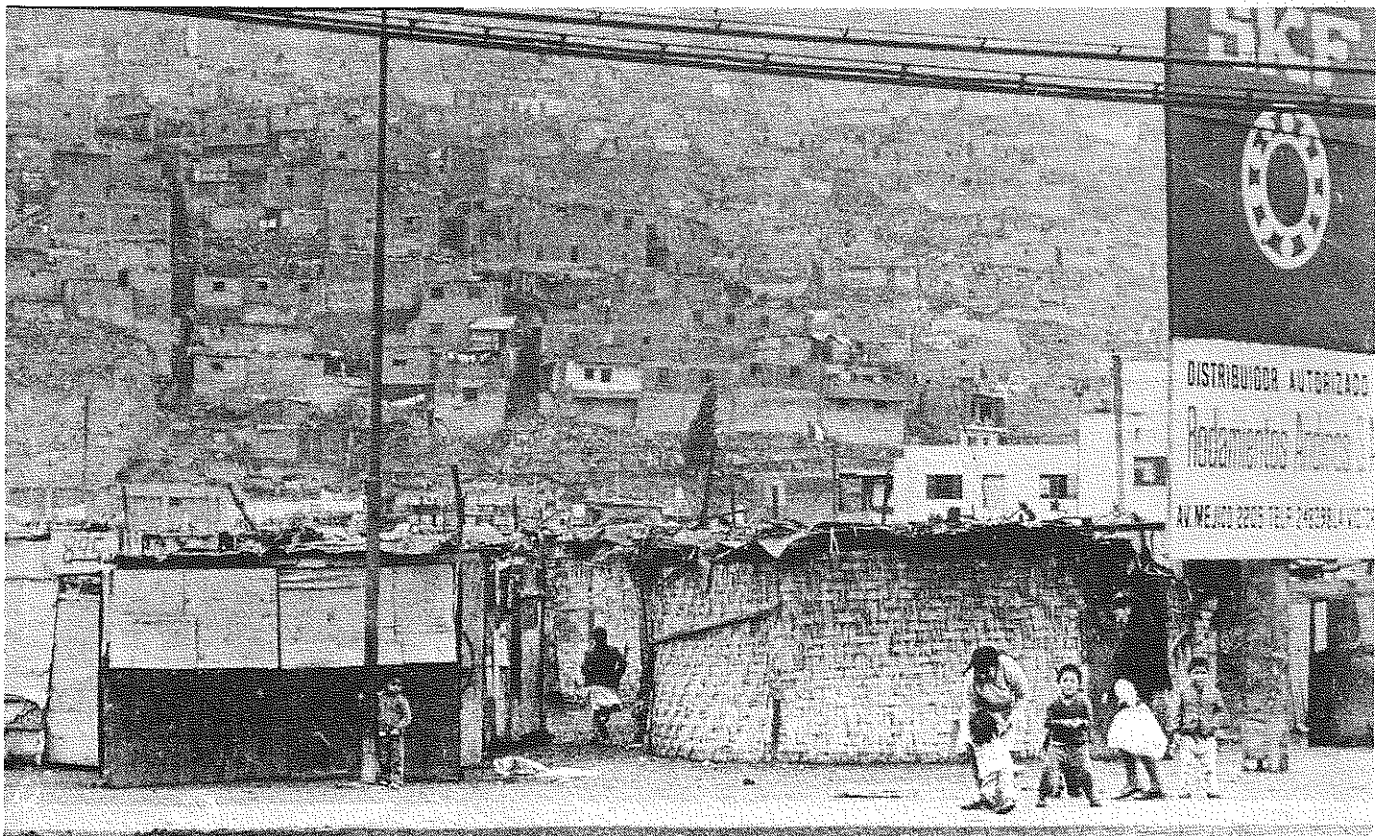
dictatorship of the proletariat put socialist tasks on the order of the day. Therein lay the central idea of the theory.<sup>45</sup>

Trotsky's argument in support of this 'central idea' has two parts, the first of which we regard as valid; but the second we believe to have been refuted by historical events.

First, Trotsky argues that in our epoch the under-developed countries cannot enjoy a sustained development of their productive forces and cannot fully implement the tasks of the bourgeois-democratic revolution (such as agrarian reform) without breaking out of the capitalist world system. In particular, the national bourgeoisie of these countries either is non-existent or at any rate does not constitute a progressive social force. The problems of under-development can therefore be solved only by an anti-bourgeois revolution which overthrows capitalist relations of production. Up to this point our own analysis is similar to Trotsky's.

However, for Trotsky the overthrow of the bourgeoisie, the abolition of capitalist relations of production and breaking out of the capitalist world system meant one thing only — a socialist revolution and the establishment of a proletarian dictatorship. He did not conceive of the possibility of the emergence of a new mode of production, which would attempt — and to a great extent with success — to overcome the problems of under-development and fulfill the tasks of the bourgeois-democratic revolution by means which are neither capitalist nor socialist. He therefore concluded that the underdeveloped countries are faced with the choice between two options, and two options only: either to remain entrapped in capitalist under-development, as a subordinate part of the world capitalist system, or to undergo a socialist revolution.

We believe that history has come up with a third possibility — namely, the creation of a state collectivist society. This is certainly not the outcome which socialists would prefer, but they cannot ignore the fact that several under-developed countries have made use of it in order to escape the trap of under-development.



## Conclusions

If we are right – if (so long as the socialist revolution is delayed in the advanced countries) some third world societies which experience anti-capitalist revolutions are likely to have state collectivist regimes rather than socialist ones in the post-revolutionary period – then thorny and complex questions will have to be answered by socialists. These questions will be problematic enough for socialists outside the third world let alone for those actually involved in the struggle in the countries in question. To these questions and problems we have no easy solutions and answers. To a great extent the strategy and tactics of socialists are dependent on the specific, concrete situation they are struggling in. For this question, like many others, there are no universally applicable formulae with which to provide answers. However at a very general level certain things should be clear.

Obviously, the term 'third world' covers a great variety of countries, of varying levels of social and economic development. In some of these countries material, social and political conditions are relatively more favourable for the success of a socialist revolution. In these countries socialists must of course fight for the realisation of this possibility.

In other countries, where a socialist revolution is not at present a real possibility socialists should give qualified support to revolutions that bring about state collectivist regimes. This is not because state collectivist regimes are socialist but because in those countries state collectivism has a special role to play. Socialist can give qualified support to those regimes without compromising their conception of socialism. To the extent that we support these regimes we do not do so because they represent some form of socialism, however diluted, but because in their own terms we regard them as historically progressive. On the other hand this mode of production has no progressive role at all to play in advanced capitalist countries and socialists in general should be opposed to attempts to impose such regimes there. We say 'impose' because in developed countries we do not regard such regimes as an organic probability; they could only be imposed from outside. Even the Communist Parties of many developed capitalist countries have recognised this fact – that the state collectivist model has nothing to offer the people of advanced capitalist societies. This recognition underlies much of the phenomenon of Eurocommunism.

1. We should emphasise that this is a crude and schematic definition. But for our purposes it is sufficient. A more rigorous and scientific definition would involve a clear distinction between a mode of production and a social formation. A mode of production consists of an irreducible totality of production relations and arrangements, determined at a relatively abstract level of analysis. On the other hand the concept social formation expresses the presence in a particular society of several modes of production that coexist.
2. In this essay we use the term 'the third world' not in its vulgar bourgeois sense (the group of underdeveloped countries having low per capita GNP irrespective of their mode of production and social regime) but in a scientific Marxist sense: the underdeveloped part of the world capitalist system which is economically subordinate to the developed capitalist countries.
3. Concerning the political and social circumstances which form the necessary framework for the transition to socialism see: K. Marx 'The Civil War in France' (in K. Marx and F. Engels, *Selected Works*, one-volume edition, London, 1968, pp. 274-311.) Marx analyses the Paris Commune as 'the self-government of the producers' (p. 292) and states that 'it was essentially a working-class government . . . the political form at last discovered under which to work out the economic emancipation of labour' (p. 294). Also see: K. Marx, 'Critique of the Gotha Programme' (also in the *Selected Works*, loc. cit. above, pp. 315-335). The Marxist view on this subject is summed up and developed in Lenin's *The State and Revolution*. Concerning the prior conditions which come into existence under capitalism, and which make the transition to socialism possible and put it on the order of the day, see: K. Marx, *Capital*, especially the chapter on the 'Historical Tendency of Capitalist Accumulation' (Volume I, London, 1970, pp. 761-764), which contains the following passage:

. . . as soon as the capitalist mode of production stands on its own feet, then the further socialisation of labour and further transformation of the land and other means of production into socially exploited and, therefore, common means of production, as well as the further expropriation of private proprietors, takes a new form. That which is now to be expropriated is no longer the labourer working for himself, but the capitalist exploiting many labourers. This expropriation is accomplished by the action of the immanent laws of capitalistic production itself, by the centralisation of capital. One capitalist always kills many. Hand in hand with this centralisation, or this expropriation of many capitalists by few, develop, on an ever-extending scale, the co-operative form of the labour process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labour into instruments of production by their use as the means of production of

combined, socialised labour, the entanglement of all peoples in the net of the world-market, and with this, the international character of the capitalistic regime. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolise all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organised by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter on the mode of production, which has sprung up and flourished along with it, and under it. Centralisation of the means of production and socialisation of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated. (*ibid.*, pp. 762-763, emphases added.)

4. Max Schachtman, *The Bureaucratic Revolution*, New York, 1972.
5. J. Kuron and K. Modzelewski, *An Open Letter to the Party*, an International Socialism publication (published in Britain in 1968 and in France in 1965).
6. Kuron and Modzelewski, *op. cit.*, p. 16.
7. Antonio Carlo, 'The socio-economic nature of the Soviet Union', *Telos*, November 1974.
8. *Critique*, Glasgow, 1973-
9. Umberto Melotti, *Marx and the Third World*, London, 1978. Rudolf Bahro's thesis, which in many ways resembles Melotti's, appeared too late in English to be considered here.
10. For this thesis see: Ernest Mandel, *Marxist Economic Theory*, London, 1968; Ernest Mandel, 'Ten theses on the social and economic laws governing the society transitional between capitalism and socialism' and 'Some comments on H.H. Ticktin's "Towards a political economy of the USSR"', both in *Critique* 3 (1974); Ernest Mandel, 'On the nature of the Soviet state', *New Left Review* 108 (March-April 1978), pp. 23-47; John Robens, *Imperialism, Stalinism and Permanent Revolution*, IMG Publications (c. 1974).
11. Tony Cliff, *State Capitalism in Russia*, London, 1974, p. 208.
12. For this thesis see: Charles Bettelheim, *Economic Calculation and Forms of Property*, London, 1976; Charles Bettelheim and Paul Sweezy, *On the Transition to Socialism*, New York, 1973.
13. Schachtman, *op. cit.*, p. 1.
14. Perry Anderson, *Passages from Antiquity to Feudalism*, London, 1976, p. 219. See also: M. Ja'far, 'National formation in the Arab region', *Khamsin* 6, for an interesting analysis of the pastoral nomadic mode of production in practice.
15. Concerning the concept 'full development of the productive forces', see note 3 above.

16. Rossanna Rossanda, 'Mao's Marxism', in *Socialist Register*, 1971, London, 1971.
17. But for an alternative view of the 'radical' faction see: Gregor Benton, 'The factional struggle in the Chinese Communist Party', *Critique* 8 (1977) pp. 100-123.
18. V.I. Lenin, *The State and Revolution*, Moscow, 1975, p. 36.
19. *ibid.*, p. 43.
20. Livio Maitan, *Party, Army and Masses in China*, London, 1976, p. 63.
21. *ibid.*, p. 62.
22. *ibid.* See chapter 13.
23. Kuron and Modzelewski, *op. cit.*, p. 25.
24. *ibid.*, p. 25.
25. *ibid.*, p. 34.
26. G.A.E. Smith, 'The political economy of the reform movement', *Critique* 4 (1975), p. 29.
27. H.H. Ticktin, 'Towards a political economy of the U.S.S.R.', *Critique* 1 (1973), p. 20. See also the same author's 'Political economy of the Soviet intellectual', *Critique* 2 (1973), pp. 5-21, 'Socialism, the market and the state. Another view: socialism versus Proudhonism', *Critique* 3 (1974), pp. 65-72, 'The contradictions of Soviet society and Professor Bettelheim', *Critique* 6 (1976), pp. 17-44, and 'The class structure of the U.S.S.R. and the elite', *Critique* 9 (1978), pp. 37-61.
28. H.H. Ticktin, 'Towards a political economy of the U.S.S.R.', *Critique* 1 (1973), p. 23.
29. *ibid.*, p. 23.
30. Kuron and Modzelewski, *op. cit.*, p. 30.
31. H.H. Ticktin, *Critique* 1, *ibid.*, p. 25.
32. *ibid.*, p. 30.
33. *ibid.*, p. 30.
34. See G.A.E. Smith, *op. cit.*, passim.
35. M. Holubenko, 'The Soviet working class', *Critique* 4 (1975), pp. 5-25.
36. H.H. Ticktin, *op. cit.*, p. 37. Also see Hendrick Smith, *The Russians*, London, 1977, p. 22:
- . . . I had to learn that money is a poor yardstick in Russia . . . I busily went on making computations until my Russian friends tipped me off that it was not money that really mattered but access or *blat* (the influence of the connections to gain the access you need) — access to cities like Moscow where the stores have food, clothing and consumer goods in quantities and qualities unavailable elsewhere; access to the best schools and to

good vacation spots or government cars, or that most prized of privileges, the opportunity to travel abroad and mingle legally with foreigners; or access to special stores for the elite . . .

In an article entitled 'Will the Soviet Union survive beyond 1984?' (*The Times*, 23 June 1978) Michael Binyon, the *Times* correspondent in Moscow, discusses the permanent crisis of the Soviet economy. Stressing the wasteful use of labour, he notes:

Extra money is of little use since there is nothing to spend it on. One telling indicator is the amount of money deposited in Soviet saving banks. Last year it was equal to 70 per cent of the total Soviet retail economy — an astonishing figure. The result is that large amounts of unspent money encourage a flourishing black market in luxuries and unobtainable consumer goods, and that material incentives have virtually ceased to have any effect in the redirection of labour.

37. M. Holubenko, *op. cit.*
38. For two accounts of the events in Poland, see: Peter Green, 'Third round in Poland', *New Left Review* 101-102 (1977), and the transcript of tapes of discussions between shipyard workers and the leadership of the Polish Communist Party in 1971: 'Polish document — presentation', *New Left Review* 72 (1972). For more recent events see *Labour Focus on Eastern Europe*, London, 1977-.
39. H.H. Ticktin, *op. cit.*, p. 39.
40. Mark Rakovski, 'Marxism and Soviet societies', *Capital and Class* 1, p. 101.
41. There are three ways we can talk about progressiveness:
- (i) A progressive society is one that is more advanced in some objective sense.
  - (ii) A progressive society is one more advanced from the point of view of social justice.
  - (iii) A progressive society is one whose dynamics are more likely than the society it is in conflict with to bring about socialist revolution.
- We use the term here in this last sense.
42. Leon Trotsky, *The Permanent Revolution*, New York, 1962, pp. 6-10.
43. *ibid.*
44. *ibid.*
45. *ibid.*



“Our contention is that the fundamental structural features which are shared by all countries of the second world, as well as many of the dissimilarities between them, become intelligible if – and indeed *only* if – one accepts the thesis that in all those countries there prevails one and the same mode of production. This mode of production – which was not anticipated, let alone described and analysed by classical Marxism – we call ‘state collectivism’.”