

# PERESTROIKA AND THE STALINIST LEGACY

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*Editor's Note: This article was written after a visit to the USSR in December 1989. It does not discuss the attempted coup by Stalinist forces in August 1991. However, its more general analysis of the stalinist legacy is pertinent to understanding the continuing obstacles to economic reform*

Perestroika in the USSR is proving to be an extremely difficult process. The economic conditions have deteriorated and, while glasnost has led to a new political openness, there is an evident lack of direction and coherence in the process of reform. The principal obstacle is the legacy of Stalinism. This article seeks to unravel the nature of this problem, looking at its origins and nature and its continued influence in the command-administrative system.

Stalinism goes far beyond the personal influence of Stalin. The theory of the cult of personality -- allegedly explaining Stalinism -- in fact diverts attention from the main and continuing features of Stalinism: it hinders understanding of this phenomenon and what, in the opinion of this observer, is required for its elimination.

## Background

In the decade of the 1930s the Soviet working class transformed the condition of the country from extreme backwardness into that of a developed industrial country. In that great transformation Soviet communists performed wonders of organisation in very difficult conditions. They were devoted to their people and their land and they were filled with great ideals.

In those years Soviet production of steel increased five-fold while machine building had an even bigger growth, a truly heroic age of the working class. In the grim test of World War Two the scale of the economic miracle was proven. Soviet industry -- much of which had to be transported in conditions of war deep into the eastern hinterland -- produced more, and better quality, tanks and warplanes than did Nazi Germany which had most of west European industry at its disposal.

During this time Stalin transformed the Communist Party into a powerful organising and administrative machine, one designed to carry out in practice decisions made at the top of the hierarchy. The apparatus at all levels took over the functions of the elected Soviets; it built a system of command posts throughout the economy; in the name of Marxism, it imposed a narrowly conceived set of dogmas on all fields of culture.

The hostile capitalist encirclement of the Soviet Union, sharpened in its menace by the rise of fascism to power in Germany, spurred on the workers' dedicated labour to build the raw materials, metal and machine building industries in record time.

Stalin made full use of the foreign menace; he developed the concept of intensified class struggle under socialism. Enemies and wreckers were sought everywhere, including within the Party; where they could not be found they were invented. Quotas were set for the number of 'enemies' to be exposed and executed. The resulting numerical scores became the test of the 'vigilance' of party workers.

## The Essentials of Stalinism

The essentials of Stalinism in the Soviet Union were developed in the decade of the 1930s. These encompassed:

- The objective of rapid industrialisation;
- The State Planning Committee whose function was to elaborate the industry plan and the command structures subordinate to it, and with the power to command Plan fulfilment;
- The transformation of the Communist Party into an apparatus of command, subordinating everything else to the single objective - fulfilment of the Plan. This meant usurping the power which rightfully belonged to the elected Soviets.

These are the main elements of the command-administrative system which still prevails today and which has frustrated perestroika in the economy. These essential elements of Stalinism cannot be explained by the personality cult. It was the Party that was given these characteristics and they transformed it into a Stalinist party. In 1956 Khrushchov performed a great service -- the first step is always the hardest to take. But his revelation at the 20th CPSU Congress of many of the crimes of Stalin was only a first step because he embraced the theory that the personality cult was responsible, and that the Party as such was not. And so he was unable to make any serious inroads into the power of Stalinism; in the end the Stalinist apparatus defeated him. The task of theorising Stalinism was not undertaken by the CPSU; the refrain 'The Party is always right, Glory to the Party' was constant throughout the Brezhnev years.

The full story of the resistance within the Party to the imposition of Stalinism is only now emerging from the study of the archives made possible by glasnost. Large numbers of the most talented communists were destroyed because of their resistance. Their fate was a warning to others. Almost twenty years ago I wrote:

Stalinism is not the cult of personality, it can exist with or without such a cult. The cult of personality is not necessary to it, although it is likely to be one of its unpleasant fruits.

Stalinism, as an ideology and practice, gathers together in one tight knot the authoritarianism that the workers are compelled to use in their efforts to revolutionise their situation in society; it develops these authoritarian means into absolutes which are then turned and used as means against the very people they were supposed to serve...

Stalinism carries this development to the extreme limits of bureaucratic degeneration (Blake, 1971:52-3)

### And the necessary solution?

What is needed to establish normal interrelations between Party and people -- normal political conditions -- is the abolition from theory and practice of *Foundations of Leninism* as the doctrine of the party. This is what putting an end to Stalinism means in Soviet conditions. This does not mean abolition or liquidation of the Party. What it involves is the elimination of an autocratic, bureaucratic machine so that the normal functions of a political party may be performed in a free Soviet democracy. If there are not the forces within the Party to bring about this reformation, if the Party continues on its present autocratic course, it is bound to bring into being in modern Soviet society the forces for its own destruction (Blake, 1971:63)

Subsequent events have confirmed these warnings.

## The Command-Administrative System

The term command-administrative mechanism is mostly used without a clear indication of what it is. The role of the Party in this mechanism has been seen and is being dealt with; but how it operates at the level of the State machinery has not. There is a blurring where there should be transparency.

Is it not clear that such central organs of State as the State Planning Committee, the Ministry of Finance, and the ramified ministerial apparatus are the heart and soul of the administrative-command system in the economy? If there are doubts about this or about the 'principles' on which the apparatus works I think it useful to refer back to Stalin's

*Economic Problems of Socialism in the USSR*, published in 1952, a year before he died. The relevant points may be summarised in this way:

- The basic law of socialism is to secure the maximum satisfaction of the rising material and cultural requirements of the whole society through continuous expansion and perfection of socialist production on the basis of higher technique (Stalin, 1952:45).
- Production in heavy industry must always have priority over production of consumer goods (Stalin, 1952:27).
- Concepts of Marx such as necessary and surplus labour, and necessary and surplus product, do not apply in a socialist economy and must be abandoned (Stalin, 1952:21).
- Marx's law of value does not operate in a socialist economic system except in a limited sphere of consumer goods, and even there only temporarily (Stalin, 1952:23).
- The system of products exchange organised by the state is the form of exchange best suited to a socialist society. Commodity exchange is confined to a small part of the Soviet economy from which it will soon be eliminated (Stalin, 1952:103). Commodity circulation is incompatible with the transition from socialism to communism (Stalin, 1952:101,04).

In this view most Soviet products are not commodities. No economic levers or mechanisms associated with commodity production -- determination of value, price, profitability, market relations -- are needed in Soviet conditions. These Stalin 'principles' are the basis for the total State control of every part of economic life and the displacement of civil society; while the real and necessary functions of the State in relation to the economy are smothered in the swollen bureaucratic State apparatus.

This work of Stalin records the conditions which existed at the time and he projected their continuation (with some modifications) into the future. Indeed the State Planning Committee and other State organs have firmly adhered to these precepts of Stalin to this day. They decide (plan?) what products are to be produced in every part of the economy and how all these products are to be exchanged between the various sectors of the economy: it is a products exchange which has in fact become a Kafkaesque whirl of barter. It is a reversion to a pre-

capitalist form of exchange which is cumbersome in the extreme and a source of enormous waste.

## **Stronghold of Socialism or of Command?**

The State Planning Committee and its powerful apparatus have long been considered the basic stronghold of socialism. Anyone questioning or criticising them is open to the accusation that he/she is attacking socialism and seeking to restore capitalism. But the present critical situation compels some questions: Did these authorities plan the mess the Soviet economy is now in? Did they plan the crisis in the country's finances? In the real sense of the word the State Planning Committee has not done any planning for a long time.

A principal object of economic planning was to develop proportionate balance in the economy yet the Soviet economy suffers from monstrous disproportions and imbalances. The State Planning apparatus for a long time has been engaged in simply setting production targets which are locked into Stalin's dogma of a two-sector economic model -- Departments 1 and 2 producing capital and consumer goods respectively. Of its previously combined functions of planning and command it is only the command function which survives and which has, in the name of socialism, frustrated all the efforts of both the 26th and the 27th Congresses to subordinate planning to the needs of the people. As I see it, the present critical situation in the Soviet economy clearly demonstrates that the administrative-command mechanism leads to disaster.

The Soviet treatment of Departments 1 and 2, in which priority to Department 1 (capital goods) is fetishised for eternity, was already doctrinaire and harmful to the economy when Stalin wrote his *Economic Problems*. Yet it has been blindly followed ever since as the never-changing target of those responsible for planning and organising the economy. Stalin's ruthless neglect of the needs of the people (in defiance of his own first law) and of the industries to satisfy those needs, is perpetuated. For working people it is always tomorrow, next year, next decade.

The system of retail trade, already one of the most backward and rudimentary in the world, is now characterised by empty shelves in the shops, making a mockery of the proclaimed economic law of socialism. If at some time in the past forty years the central authorities had devoted their attention to that law and given priority to the needs of the people, not only would light industry, farms and farmers, and the retail trade be radically different today, but heavy industry would also have been in much better shape, especially in its refinement and quality.

The doctrinaire devotion to heavy industry has obscured from Soviet planners the structural changes based on high technology which, in the capitalist countries, have brought about an enormous increase in the production of consumer goods and services, with a simultaneous decline in the old style heavy industries on which the resources of the Soviet Union continued to be expended. That infrastructures and public utilities decline too is also true of the capitalist world, and this decay is summed up in the phrase 'private affluence, public squalor'. This is also true of the Soviet Union, with Soviet private affluence confined to a small stratum of the privileged and to the criminal world.

The rejection of commodity production and exchange as processes alien to socialism, ones likely to foster capitalism, has been costly for the Soviet people. Substitution of 'products exchange' may have avoided capitalism, but it has preserved barrack-style socialism.

Production of commodities means production of values, of exchange values that are embodied in things which have use values. To have use values commodities must have qualities which people need and will purchase by using the universal equivalent -- money. This, for the producer, is the form in which the realisation of the value of his embodied labour takes place. In other words it is a system of production, distribution, exchange and consumption which existed before capitalism but which capitalism developed. Its operation in the Soviet Union would be more transparent than the opaque system which prevails today: one which fosters crime because violation of the law is often the only way to get things done. The present Soviet economic system provides fertile soil for the black market, for organised crime, and for bribery and corruption.

## Economic Reform

The programme adopted by the 27th CPSU Congress in 1986 provided for the reconstruction of the economy along the lines of commodity production and a socialist commodity market; for the development of relations between producers and consumers which rely on economic interests, levers and standards; and an articulated system of wholesale and retail trade to facilitate market supplies of goods in demand. Incomes of producers were to depend on the goods they produced meeting the standards of quality demanded by the consumers, for which they would expect an economic price.

A gentle call for the central economic agencies to cease interfering in the daily economic management of the enterprises still left the old economic mechanism in place and in full control of all the major functions of the economy. Work collectives which increased production of improved quality goods have had the experience of central ministerial bodies using their various powers to take most of the added income away from them to subsidise the inefficient or incompetent. Good work is being punished instead of being rewarded. At the Republican level the State Planning Committee is able to take increased output from the Republics using the device of raising their commitment, or by providing them with less funds. Thus Estonia's 1990 budget provided for revenues to increase by 11.6 per cent but only 1 per cent of this is left to Estonia, the bulk going to the central authority. With so many of these things being revealed in the Soviet press how can the source of the trouble not be pinpointed?

If perestorika in the economy is to succeed, these arbitrary central powers must give way to equal agreements which are based on economic requirements; these must strike a rational balance between revenues essential to be retained for economic advance and the funds which can be set aside for social and other needs. Such agreements need to be open, with no hidden inequalities and no arbitrary powers of alteration.

The stubborn blockage is there, not so much because the people in control of the old mechanism are evil and concerned only with power



(although elements of that do exist) but because they remain convinced that their ways and their institutions are the only genuine vehicles of socialism. This unresolved conflict between the old and the new is at the centre of the crisis in the Soviet economy.

Possibly there was an unspoken belief that the 27th Party Congress had only to make its decisions and the situation in the economy would be transformed. The huge leading and organising work necessary to ensure that the decisions were applied in practice was not carried through. The Party, which had come to rely on Article Six, decreeing its leading role, was now unable to really lead. Massive inertia, the absence of conviction among the very people needed to facilitate the required changes, and uncertainty in the leadership about what was to be done about the old mechanism meant actual change was thwarted. If the institutions of the old Plan were not to be abolished, what fundamental changes were to be made in their powers and the way they functioned -- changes which, in the transition period, would enable them to help rather than hinder perestroika?

In Soviet conditions it is clearly not enough to pass a law on the independence of enterprises in the belief that this solves the economic problems involved. Enterprises in Soviet conditions moving from a situation where they simply follow the vertical line of the central directions on quantity production (the Plan) to sophisticated economic conditions based on horizontal relations with consumers on one hand and suppliers on the other, need detailed attention and assistance from the central instrumentalities. Thus the question of who is for and who is against perestroika is not resolved by declarations one way or the other, or by facile claims that 'it lies within ourselves'. It requires active engagement along clearly defined and understood lines in the actual work of reconstructing the economy, with personal responsibilities clearly delineated and accepted.

Rejection of Stalinism does not mean the rejection of a role for the State in the economy. It is Stalinism in the State machine that needs to be dismantled. This is central to the process of making the State a positive contributing force to the democratic socialist transformation of the Soviet economy. The elected Soviet parliament is the body which rightfully should assume this responsibility.

There are enormous difficulties in the way of reform, including misconceptions about the nature of the market and its role in capitalist and socialist economies. Talk about a 'free market' in lands of a 'free society' is misleading. In capitalist Australia we have a Wool Marketing Board, a Wheat Marketing Board, Egg and Milk Marketing Boards and others which combine producers and State authorities in organised marketing. Such structures are also very much in evidence in the European Economic Community and in other capitalist countries. Versions of the same thing can benefit Soviet society without signifying either a return to capitalism or regression to Stalinism.

Similarly, there are major difficulties concerned with the process of economic liberalisation and the problems of environmental degradation. For example, while there is a need to discern and act against unscrupulous individuals who seize any opportunity to enrich themselves by exploiting other people, there is a recurrent danger of this concern being used to weaken lawful and valuable forms within the economy. The persecution of the cooperative movement is a severe blow to the still frail new forms of economic activity. The plunder and pollution of the natural environment, a feature of both capitalist and Soviet economic activity has become a menace for today's people and will be the issue of the 1990s. Desperate though many of its problems are, the Soviet Union cannot lag behind in this struggle to save each land and our whole planet.

## **The Soviet Intelligentsia**

To a concerned observer, one of the most damaging consequences of Stalinism is evident in the condition of the Soviet intelligentsia. The physical destruction of many great talents, co-optation of others into Stalinism, and the prolonged isolation from the developments in world culture, from the world of ideas and conflict of opinions, have left deep scars. Some of the Soviet intelligentsia reveal a distaste for workers and the working class. There is a condescension to Marxism, which is judged by the consequences of Stalinism in today's USSR and the extraordinary post-war boom in the capitalist countries which they call 'the civilized world'.

In recoil from the Stalinist barbarities towards the religious and the Churches, and the negation of their full human rights and rightful place in society, there is a belief that spiritual values come only from the religious sphere. There are simplistic views that democracy means the unrestricted right to do as one pleases. A modern democracy, however, provides an arena for arriving at decisions concerning different, often conflicting, interests which are naturally expressed in the form of different ideas and opinions, and it entails a law-governed society -- one guaranteeing not only the enactment of laws, but also the enforcement of the laws.

In the years of perestroika one of the effects of personality cult theory is the belief held by some intellectuals that if they allow themselves to actively and determinedly support Gorbachov and his perestroika policies they will be guilty of practising the cult of personality. Far from keeping themselves free and pure, they thus surrender their freedom to be active agents in the welfare of their people and country.

Gorbachov is the architect of a remarkable transformation brought about in the world in the past three or four years. In the Soviet Union he opened the locked doors which prevented the investigation of Stalinism and Soviet history; he inspired and led the fundamental democratic changes through the 19th Party Conference, the election of the new Soviet parliament and its radical law-making work; he led the decisive struggle within the Communist Party itself to discard its bureaucratic power and begin its democratisation. Gorbachov did all this with the active support of a minority in the Party and in society at large. He is quick and ready to learn from experience and from criticism, of which he has not been deprived. The politically worldly Italians discerned these great achievements clearly, and did not hesitate to show their appreciation. Still enormous resistance remains in the USSR, generating confrontation, compromise and disillusionment.

The opportunity for a coalition of forces for perestroika, a broad front able to overcome the crumbling but still dangerous strongholds of Stalinism, strong enough to move forward and allow the space and time for all the necessary steps -- such an opportunity doesn't wait forever.

## References

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THE GOAL: GRAND INTERNATIONAL MATCH FOR MAYDAY 1928  
SOCIALIST SCORERS V. CAPITALIST SCORCHERS.  
Socialist (center forward) "want to keep it all to y' self, do you?"  
Well, that's our goal, anyway - \* \* \* \* \*

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