



Bureaucracy and Commodity Production

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Production**

**The theoretical bases of a Marxist
interpretation of the USSR**

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The first impression of the USSR is that of hypertrophy, of the omnipotence of the state. Given that, the first question for a Marxist is the following: which are the material foundations of the state and what is its place in human society?

Marx and Engels clearly established the general relationship between penury, the social division of labour, the alienation of certain social functions to the profit of a separate group of people – the bureaucracy – and the origins, as much as the continual experience, of the state:

‘It is clear that so long as human labour was still so little productive that it provided but a small surplus over and above the necessary means of subsistence, any increase of the productive forces, extension of trade, development of the state

and of law, or foundation of art and science, was possible only by means of a greater division of labour. And the necessary basis for this was the great division of labour between the masses discharging simple manual labour and the few privileged persons directing labour, conducting trade and public affairs, and, at a later stage, occupying themselves with art and science.’ [1]

‘The second distinguishing characteristic is the institution of a public force which is no longer immediately identical with the people's own organization of themselves as an armed power. This special public force is needed because a self-acting armed organization of the people has become impossible since their cleavage into classes ... This public force exists in every state; it consists not merely of armed men, but also of material appendages, prisons and coercive institutions of all kinds, of which gentile society knew nothing.’ [2]

I. The social division of labour, state and poverty

The withering away of the state and social classes – the same thing in the eyes of Marx and Engels – presupposes a level of development in the universal productive forces which makes possible the ending of poverty and the integral development of every individual. The submission of these developed individuals to the tyranny of social and labour division is no longer inevitable. Or, to paraphrase Engels, the ‘affairs of society’ can now be regulated by all and not by a *special apparatus*.

‘Only the immense increase of the productive forces attained by modern industry has made it possible to distribute labour

among all members of society without exception, and thereby to limit the labour-time of each individual member to such an extent that all have enough free time left to take part in the general – both theoretical and practical – affairs of society.’ [3]

And Engels makes it explicitly clear that the ‘affairs of society’ includes all the functions of the state in class society. The withering away of the state is thus the return of the exercise of these functions to society itself, without the existence of special apparatuses, that’s to say without bureaucracy.

In **The German Ideology**, Marx and Engels had already stated that the precondition of communism was ‘a great increase of productive forces’, to the universal (worldwide) level: ‘because without it want is merely made general, and with destitution the struggle for necessities and all the old filthy business would necessarily be reproduced.’ [4] It follows from this fundamental thesis of historical materialism that the absence of socialism, in as much as it is the first, inferior stage of communism in the Soviet Union and in other similar societies, has three material causes, namely: 1. the insufficient level of the development of productive forces; 2. the isolation of these societies from the industrial, hegemonic nations and 3. the resurrection of the struggle for the satisfaction of material needs which necessarily results in a return to the ‘old filthy business ...’. Trotsky expressed this in the clearest fashion in **The Revolution Betrayed**:

‘If the state does not die away, but grows more and more despotic, if the plenipotentiaries of the working class become bureaucratized, and the bureaucracy rises above the new society, this is not for some secondary reasons like the psychological relics of the past, etc., but is a result of the iron necessity to give birth to and support a privileged minority so

long as it is impossible to guarantee genuine equality (...) The basis of bureaucratic rule is the poverty of society in objects of consumption, with the resulting struggle of each against all. When there is enough goods in a store, the purchasers can come whenever they want to. When there is little goods, the purchasers are compelled to stand in line. When the lines are very long, it is necessary to appoint a policeman to keep order. Such is the starting point of the power of the Soviet bureaucracy. It “knows” who is to get something and who has to wait ...’ [5]

The state as controller, executive of the ‘affairs of society’ (the accumulation by one group of the social surplus; territorial administration; military affairs; the norms of cohabitation between men and women; the creation and maintenance of infrastructure, etc) distinct from immediate economic activities (production and distribution) embodies itself in a series of apparatuses which, as Engels reminds us in **Anti-Duhring**, rends itself autonomous from society, transforms itself from society’s servant to its master. When the spokespersons for Solidarnosc referred to such a situation in Poland, they were Marxists without knowing or wanting to be so – and much better Marxists than the leaders of the PUWP (Polish United Workers Party – *Trans.*) who denied this manifest reality.

In the Soviet Union and in other similar social formations, it is evident that the state has not started to wither away. It continues, on the contrary, to extend itself as a powerful independent force erected above society. The leaders of the CPSU frankly preach its continual reinforcement (cf. the new programme of the CPSU, 1986). This proves that we are

still a long way from a classless, socialist society, that strong social tensions exist and that the regulation of these social contradictions demands the existence of the overdeveloped apparatus of bureaucracy:

‘The state is therefore by no means a power imposed on society from without (...) Rather, it is a product of society at a particular stage of development; it is the admission that this society has involved itself in insoluble self-contradiction and is cleft into irreconcilable antagonisms which it is powerless to exorcise.’ [6]

Revolutionary marxists do not accuse the Stalinist faction and its successors in the ‘communist parties’ in power of having ‘caused’ the monstrous growth of the state and the bureaucracy by ‘betrayal’ or by ‘political errors’. The opposite is true. Revolutionary marxists explain the victory, the political line and the ideology of the Stalinist faction and its successors by material conditions and higher social factors. The Stalinist faction and its successors can be reproached (in the measure where ‘reproaches’ play a political role in scientific socialism) with the following:

1. That they hide social reality in justifying the bureaucracy with a specified ideology, a ‘false consciousness’ and, as a result, abandon marxism and historical materialism in the interpretation of society. From that they trick the working class of their own country, and throughout the world, by spilling out their lies.

2. That in the name of 'communism' and of 'marxism' they have unleashed a process of exploitation and repression against workers, youth, the peasantry, women and national minorities on a massive scale, which constitutes crimes against socialism and the proletariat.
3. That by their political practice they have not limited poverty and bureaucratic excess to the barest minimum, but that they have developed them without measure. This means they have not acted, and do not act, in the interests of socialism and the proletariat as a class, but that they have subordinated their interests to the specific interests of the privileged bureaucracy.

The general question posed by this marxist explanation of the overdeveloped state and of the bureaucracy in the Soviet Union is the following: weren't the Mensheviks right in opposing the October revolution, against Trotsky and Lenin, with the argument that Russia was not mature enough for socialism? The historic response to that question is that *the process of the world socialist revolution* has to be conceptually separated from that of the finished construction of a socialist society without class. In fact Russia was certainly not 'mature' enough for the establishment of such a society. Up until 1924 this was

the common point of view of all revolutionary marxists: not only of Lenin, Trotsky, Rosa Luxemburg, Bukharin, Zinoviev, Lukacs, Gramsci, Thalheimer, Korsch, Radek etc, but also of Stalin. But *the world* was mature enough for socialism. In fact, in **Anti-Dühring** Engels already considers this to be an established fact.

What was already true in 1875 was incomparably more so in 1917. Now, the appropriation of the means of production by the workers' state is a political act, which isn't linked only to existing material conditions but also to existing subjective conditions. On the basis of the discovery of the law of combined and unequal development Trotsky was able to predict from 1905-1906 that, *in the framework of the imperialist world*, and given its unique combination of socio-economic backwardness and political maturity, the proletariat of certain less developed countries, like Russia, would have the chance to break the power of the capitalist state before such an eventuality might be seen in more developed industrial nations. Imperialism simultaneously hampers the full development of the objective conditions for socialism in the backward countries (the complete development of capitalism) and the subjective conditions for socialism in the highly developed industrial countries (the full development of working class consciousness). But it is in precisely a combination of these two processes that a concrete form of the world socialist revolution emerges, which may start in countries such as Russia, but which will not end up in the full development of a socialist society except by its extension to the most advanced industrial nations. Rosa Luxemburg expressed it succinctly: 'In Russia the problem can only be posed: it cannot be resolved in Russia. And it is in this sense that the future belongs

everywhere to “bolshevism”. [7] It is in these predictions, confirmed by history, that the complete tragedy of the 20th century is contained.

The October revolution, was not a means for the ‘development of socialism in one country’ but was a motor for the world socialist revolution: such was, from the beginning, the historic justification that Lenin, Trotsky, Luxemburg and their comrades gave it. Let’s listen once again to Rosa (one could also add dozens of citations from Lenin, Trotsky, Bukharin, Zinoviev):

‘Let the German Government Socialists cry that the rule of the Bolsheviks in Russia is a distorted expression of the dictatorship of the proletariat. If it was or is such, that is only because it is a product of the behaviour of the German proletariat, in itself a distorted expression of the socialist class struggle. All of us are subject to the laws of history, and it is only internationally that the socialist order of society can be realized. The Bolsheviks have shown that they are capable of everything that a genuine revolutionary party can contribute within the limits of historical possibilities. They are not supposed to perform miracles. For a model and faultless proletarian revolution in an isolated land, exhausted by world war, strangled by imperialism, betrayed by the international proletariat, would be a miracle. What is in order is to distinguish the essential from the non-essential, the kernel from the accidental excrescencies in the politics of the Bolsheviks. In the present period, when we face decisive final struggles in all the world, the most important problem of socialism was and is the burning question of our time. It is not a matter of this or that secondary question of tactics, but of the capacity for action of the proletariat, the strength to act, the will to power of socialism as such. In this, Lenin and Trotsky and their friends were the *first*, those who went ahead as an example to the proletariat of the world; they are still the *only ones* up to now who can cry with Hutten: “I have dared!”.’ [8]

With the first world war, a series of virtually uninterrupted revolutions broke out, caused by the internal contradictions of imperialism and the capitalist mode of production, intensified by the war. These revolutions were highly stimulated by the October revolution and by the foundation of the soviet state, but they were not caused by them. The *real process* of the world socialist revolution, with the possibility of victory in the advanced industrial countries like Germany and Italy, was encouraged by the soviet state. During that period the possibility of the realisation of socialism on a world scale progressed, despite the impossibility of realising socialism in Russia. The October revolution was thus completely justified from an historic point of view.

II. Penury and commodity production

The contradiction between commodity production and a society of associated producers, that's to say a socialist society as an inferior phase of communism, is one of the base elements of historical materialism. For Marx and Engels, the battlefield of commodity production was not at all limited to the capitalist mode of production. 'Political economy begins with *commodities*, with the moment when products are exchanged, either by individuals or by primitive communities.' [9] Now, in the first volume of **Capital**,

Marx describes how products do not become merchandise unless they result from *private works executed independently of each other*. From the moment that work loses its private character, when it becomes immediately social, when its organisation between various diverse sectors of activity does not result from the spontaneous decisions of individuals, units of production or companies, but from decisions taken *a priori* by the whole of society, mercantile production disappears:

‘Within the co-operative society based on common ownership of the means of production, the producers do not exchange their products; just as little does the labour employed on the products appear here as the *value* of these products (...) since now, in contrast to capitalist society, individual labour no longer exists in an indirect fashion but directly as a component part of total labour (...).What we have to deal with here is a communist society, not as it has *developed* on its own foundations, but, on the contrary, just as it *emerges* from capitalist society; which is thus in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges. Accordingly, the individual producer receives back from society – after the deductions have been made – exactly what he gives to it.’ [10]

Given the persistence and hypertrophy of the apparatus of the bureaucratic state, the persistence of merchant production is thus a conclusive proof that, from the point of view of historical materialism, in the Soviet Union and in other similar social formations, *socialist* society or *socialist* economy do not exist, no more than fully developed socialisation of the means of production or process of production. Apologists for

the soviet bureaucracy (supported by the benevolent smiles of western bourgeois and petit-bourgeois ideologues) contest this in two ways. On the one hand they say that Marx and Engels were mistaken on the ‘real movement’ of socialism and, on the other, that practice has proven that socialism can co-exist with a ‘strong state’ and with commodity production. They remind us that, in this context, the two masters repeated continually that communism isn’t a goal to reach but a real movement which abolishes ‘the existing state of things’, meaning private property. This reductive point of view is based on the manifest falsification of a citation in **The German Ideology**:

‘... with the abolition of the basis of private property, with the communistic regulation of production (and, implicit in this, the destruction of the alien relation between men and what they themselves produce), the power of the relation of supply and demand is dissolved into nothing, and men get *exchange, production, the mode of their mutual relation*, under their own control again. Communism is for us not a *state of affairs* which is to be established, an *ideal* to which reality [will] have to adjust itself. We call communism the *real* movement which abolishes the present state of things. The conditions of this movement result from the premises now in existence.’ [11]

Marx and Engels say that the abolition of ‘the existing state of things’ oughtn’t to be limited to the abolition of private ownership of the means of production. It has to include at least the following:

1. The abolition of commodity production and the withering away of money (‘the

- power of the link between supply and demand is reduced to nothing’).
2. The abolition of the exchange of consumer goods, at least inside the commune.
 3. The control of the producers over the product of their work and over their conditions of work, which includes, amongst other things, the power of the associated producers to dispose of the means of production for consumer goods.
 4. The control of the people themselves over ‘their mode of reciprocal behaviour’, which excludes the existence of a repressive apparatus separate from society.

There is no need to enumerate the extensive empirical data in order to prove that the Soviet Union and other similar formations are far from having fulfilled these conditions. *There has not yet been a real movement anywhere in the world which has abolished ‘the existing state of things’.* There is no socialist society. Yet the bureaucracy’s apologists accuse revolutionary marxists, and other ‘critics from the left’ of consciously ‘elevating’ the demands of socialism in such a manner as to be able to demonstrate that in the Soviet Union and elsewhere, reality doesn’t attain the ‘ideal’. [12] According to them, that would be ‘historical idealism’, a ‘normative utopia’, a ‘moralism’ substituting itself for the categories of historical materialism.

To which we respond that historical materialism implies explicitly that the scientific categories (here including 'norms') are the *product of real social relations* and not the product of 'false reasoning' or of a diabolical 'anti-communism'. The *material base* of the 'categories' of merchandise, value and money, in the Soviet Union and other similar societies, is the absence of sufficient socialisation of production. Work does not yet have an immediately social character. There is not yet direct access of the producers to the means of production and to consumer goods. In the same fashion, the producers are not yet associated producers. Thus there is not total abolition of private work or private property.

In other words: it isn't because social conditions in the USSR do not conform to the 'norms' of Marx that they are 'non-socialist' and 'bad'. Such reasoning would, in effect, be idealistic and 'normative'. It is because abundant empirical proof shows that its functions are 'bad', that's to say still partially exploitative, very oppressive and alienating, that they are 'non-socialist'. The fact that they no longer conform to Marx's definition of socialism confirms that Marx's norms were correct about what socialism must be. These norms necessary for socialism reveal themselves to be neither 'idealist' nor utopian concepts, but the *conditions necessary for the coming into being of a non-exploitative and non-oppressive society without class*. Neither in the Soviet Union or elsewhere does one encounter a 'really existing socialism'. The bureaucracy, the international bourgeoisie and their respective ideologues affirm the opposite because such an affirmation corresponds to their interests. The interests of the one is to hide or excuse the inequality, the material privileges and the monopoly of power which exists in the Soviet Union. The interests of the other is to discredit socialism in the eyes of western workers, in presenting the

real situation in the Soviet Union and elsewhere as ‘really existing socialism’.

Less well informed apologists add the following: ‘left opportunist’ critics of Soviet society confuse socialism with communism. That which is demanded of a socialist society is only possible in a communist society. These apologists forget the clear characterisation of Lenin:

‘It is this communist society, which has just emerged into the light of day out of the womb of capitalism and which is in every respect stamped with the birthmarks of the old society, that Marx terms the “first”, or lower, phase of communist society... The means of production are no longer the private property of individuals. The means of production belong to the whole of society. Every member of society, performing a certain part of the socially-necessary work, receives a certificate from society to the effect that he has done a certain amount of work ...’ [13]

They forget that this definition of socialism is found equally in the above mentioned citations of Marx and Engels, that the whole Marxist tradition from 1875 to 1928, with the possible exception of Karl Kautsky, bases itself on the same definition. Stalin himself repeated it up to June 1928! [14] A simple question of definition? Certainly not. One cannot maintain that commodity production and the law of value continue to operate in a socialist society except in rejecting the whole of volume one of Marx’s **Capital**, his analysis of merchandise, of value, of the value of exchange and the law of value. This implies not only the rejection of Marx’s definition of socialism, but also the rejection of his whole analysis of capitalism and the origins of class and the state, that’s to say the complete rejection

of historical materialism. Everyone has the right to think that history has refuted the theories of Marx. But no one has the right to call themselves 'marxist', that is to pretend to adhere to the scientific discoveries of Marx, and at the same time to advance theories on the essence and dynamic of commodity production, of value and the law of value, of money, of capitalism and socialism, which are in complete disagreement with those of Marx.

The remark of Marx according to which 'bourgeois law' still exists under socialism (the first, inferior phase of communism) cannot in any manner imply the existence of commodity production and of the law of value. The above mentioned citation from Marx's **Critique of the Gotha Programme** explicitly affirms the opposite. *Despite the disappearance of commodity production* and of the law of value under socialism, bourgeois law continues to dominate, because there is *only formal equality* (exchange of equivalent quantities of individual work, immediately recognised as social work). From the fact that different individuals have different needs and different capacity to produce quantities of work, some will largely be able to satisfy their needs and others will not. What exists today in the Soviet Union, isn't formal equality in the distribution of consumer goods, to which Marx refers with the formula 'bourgeois law', but an enormous and growing *formal inequality*. In exchange for seven hours of work, an unskilled manual worker receives x in consumer goods; a high bureaucrat receives for the same seven hours of work $10x$ or $20x$ in consumer goods (in not only taking into consideration salary in money but also the distribution and nature of the goods and services).

This 'bourgeois law' goes well beyond Marx's notion concerning the first, socialist phase of communism. And from this it follows, as it follows from the persistent existence of commodity production and the law of value, that the 'struggle for existence', the general struggle for personal enrichment, the cold calculation of 'personal advantage', egoism, careerism and continual corruption dominate society (even if it is to a lesser degree than under capitalism). Such a social dynamic does not result, in the first place, from 'residual capitalist ideology' or from 'western influence', but principally from *the existing socio-economic structure of the Soviet Union itself*.

We find yet again the same poverty, the same insufficient development of productive forces which has already served to explain the rising up and over-development of the state and the bureaucracy. Distribution, juridical relations and the conditions of power are not able to raise themselves to a qualitatively superior level than that which is allowed by the level of development of the productive forces. The fashion in which distribution is organised, and thus by whom and how it is arranged, depends in the final analysis on how much can be distributed, that is how much has been produced. The strongest will, the most praiseworthy intentions, the highest idealism, cannot change this in the long term. For as long as Soviet society is unable to combine with the most advanced industrial sectors of the world (western Europe, north America, Japan), there will be no socialism there. A socialist outcome continues to depend on the outcome of international capitalism, on the victory or defeat of the world proletariat, thus on the future of the world revolution.

This frees us from another misunderstanding concerning the attitude of marxist revolutionaries with regard to the USSR. The fact that marxists underline that the market relations which persist in the Soviet Union and elsewhere

prove a socialist society doesn't yet exist does not imply that they 'demand' that the party of the working class finishes 'immediately' with commodity production and with money, that they should 'immediately' abolish the state, and other similar absurdities. Commodity production and value cannot be 'abolished' arbitrarily, just as the state cannot be artificially 'suppressed'. They can only *wither away progressively*. The fact that in the Soviet Union, rather than withering away they continue to grow is an indispensable part of the scientific, objective marxist analysis of these societies, an irrefutable proof of the non-existence of socialism. But this is not a basis for irresponsible and irrational suggestions. In the given internal and external conditions, the survival of commodity production and circulation of money, and even that of the workers' state, is inevitable. If they were 'abolished' a daily unravelling and disintegration of the existing relations of production would result *not* in favour of socialism but, in the final accounting, in favour of the restoration of capitalism.

Concrete suggestions made for the reform of the economy of soviet society (1922-1933), then the programme for political revolution elaborated by revolutionary marxists have never called for an immediate 'halt' to commodity production. Rather, they have called for its optimal inclusion in a system of socialised production and planning which targeted simultaneously an optimal development of the productive forces *in the long term* and *real socialist relations of production*. The one cannot be arbitrarily separated from the other.

No increase in the existing productive forces, no socialism. But without the emergence of true socialist relations of production, the construction of socialism is just as impossible. It is not a question of producing 'in the first place' so many tons of steel, cement or a quantity of cars,

houses, etc., until the producers suddenly become (by what miracle?) the masters and mistresses of their working conditions and of their lives. *Simultaneously*, and by a constant process of interaction, progress has to be made on the production and work productivity front on the one hand, and of the release of worker self-organisation in the economy and in the state (the effective power of soviets, democratic socialism) on the other hand. Without decisive progress on worker self-organisation, social equality and political democracy, the sources of further development of the productive forces will gradually dry up, one after the other. From this point of view it is completely misplaced to accuse marxist revolutionary critics, as Lukacs has, of the Stalinist thesis of 'socialism in one country', or as a replacement solution:

'... socialism resulting from revolutionary war or the return to the circumstances before the 7th of November, that's to say the dilemma between adventurism and capitulation. Because of this dilemma history does not justify a rehabilitation of Trotsky. In that which concerned the decisive strategic questions of the epoch, Stalin was completely right.' [15]

This falsification accepts the legends of the thermidorian bureaucracy, which are directly refuted by all the documents concerning the discussions at the heart of the CPSU and of the Comintern from 1923 to 1933. Far from having been the prisoners of the dilemma described by Lukacs, Trotsky and the left opposition maintained – initially against Stalin/Zinoviev, later against Stalin/Bukharin, and finally against the remaining Stalinist faction, the CPSU having become monolithic – that communists had to *simultaneously* accomplish two tasks. They

had to accelerate the industrialisation of the Soviet Union, introduce economic planning, raise the technical base of agriculture (with the help of industrialisation) and to re-organise it on a cooperative basis, but only with the *freely given consent of the peasantry*. At the same time, they had to expand the revolution on an international level *according to the laws and internal demands of the struggle of the classes in each country* (and not according to the conjunctural necessity of the defence the Soviet Union). This line equally rejected capitulation and adventurism, as is indicated in Trotsky's critique of the programme of the Comintern:

‘During the Third Congress, we declared tens of times to the impatient Leftists: ‘Don’t be in too great a hurry to save us. In that way you will only destroy yourselves and, therefore, also bring about our destruction; Follow systematically the path of the struggle for the masses in order thus to reach the struggle for power. We need your victory but not your readiness to fight under unfavourable conditions. We will manage to maintain ourselves in the Soviet republic with the help of the NEP and we will go forward. You will still have time to come to our aid at the right moment if you will have gathered your forces and will have utilized the favourable situation.’ [16]

Finally, in the framework of the theory of permanent revolution, the understanding of the law of combined and unequal development does not at all imply that people in less industrialised countries can do nothing for their own liberation and must await the victory of the proletariat in the advanced industrialised nations in order to create the basis for the successful

construction of socialism. On the contrary, Trotsky had arrived at the conclusion that only a socialist revolution in the backward countries was able to liberate them from the barbarous heritage of the past which weighted on them. In the age of imperialism, capitalism is incapable of cleaning the stables as it has done for the most part in the west. That reason is sufficient in itself to fully justify socialist revolutions in the third world. Revolution alone is able to resolve the unaccomplished tasks of the development of socialism. But the process cannot be completed on the restricted economic and social bases of single countries. It has to be spread to the leading industrialised countries when the conjunction of class struggle permits.

III. The hybrid combination of market economy and bureaucratic despotism

Is it the result of our analysis that, given the insufficient development of productive forces in the Soviet Union, the bureaucracy has become a leading class: or even a 'state capitalist' class, or perhaps a 'new class'? Certainly not. To refute this mechanistic thesis implies a closer examination of a contradictory overlapping between commodity production and the operation of the law of value on the one hand and bureaucratic domination on the other. This

contradictory relationship (which leads to specific, hybrid relations of production which, historically, are not capable of automatic reproduction) must be inserted in the more general problematic of societies in transition between historically 'progressive' modes of production, to cite the celebrated formula of Marx.

We have already noted that the restriction of the functioning of commodity production only to capitalism contradicts the theory of historical materialism developed by Marx and Engels. Through exchange value and commodity production, the effect of the law of value existed centuries before the emergence of the capitalist mode of production. What distinguishes the different forms of capitalist small commodity production is the fact that only under capitalism do commodity production and value become generalised. It is only at the heart of this mode of production that the means of production and labour power become general commodities. Even though both capital and capitalism, and their contradictions, might already be present in small commodity production, they are still just embryos. In order to develop fully a whole series of economic and social conditions have to be created to permit the embryo to grow and mature. In the west, and in the great civilisations of the east, this process has taken 2,500 years. In the lesser developed countries it is still incomplete today.

The obstacles on the road of this process are enormous. To only mention one: the necessity of separating the producers – the great majority of them being peasants – from all direct access to the land. Without this condition the complete development of the capitalist mode of production and the transformation of the direct producers into wage earners are impossible. But the separation of the peasantry from their means of production, and thus elementary

subsistence, demands an *enormous transformation of property relations in the country*. [17] Slave plantations and the landed properties of the state, as much as the original village communities with actual power of access to the land for the peasants (be it in the 'asiatic mode of production' or in that of 'pure' feudalism) are enormous obstacles for such a transformation. They have to be annihilated. Additional economic, social and political transformations in production and commerce, in the town as in the country, are also necessary. The slowness of their maturation leads during long periods of small commodity production, even in the advanced regions of western Europe, to coexistence between preponderantly non-capitalist relations of production and progressively emerging capitalist relations of production.

This phase of transition from feudalism to capitalism produced a hybrid combination of commodity production and the production of use values alone. The law of value functioned in the sphere of commodity production under a form proper to such a transitional society. But for a long period it hardly functioned, or functioned not at all, at the level of the village. A European peasant in the late middle ages, an Indian or Chinese peasant of the eighteenth century, a Mexican or African peasant of the nineteenth century, does not change the volume or nature of his production according to fluctuations in market price, so long as this production is intended primarily for his own subsistence. Land taxes and rent, war or famine can augment or diminish (sometimes drastically) the total part of use value products which remain to him for his own consumption. But this fact does not transform him into a commodity producer, dependent on the market, that's to say on the law of value. For that to happen there must be a transformation of the *property relations* in the village (property relations understood not only in an juridical but

also economic sense). The *actual* separation of the peasant from free access to the land is necessary. We would define the logic of such a hybrid society by the formula: the law of value *functions* in such a society but does not *dominate* it. The distribution of available socially productive resources between different branches isn't determined by the law of value, but rather by custom and tradition, the needs of the peasants, their techniques of production, their habits, their community organisation, etc. The analysis that Marx made of this state of things is well known.

Such hybrid production relations do not necessarily lead to stagnation of productive forces and of society. A contradiction between the traditional economy and commodity production develops slowly, by means including the expansion of usury and commercial and manufacturing capital. In the long term it is able to produce an economic and social dynamic which eventually leads to the predominance of the law of value and of the capitalist mode of production. Nevertheless this involves a *concrete historical process* which must be concretely studied and of which the reality must be empirically demonstrated. It cannot be deduced by such abstract syllogisms as: the emergence of commodity production – automatic predominance of the law of value – capitalism – domination by the capitalist class.

The analogy with the economic and social structure of the Soviet Union is striking. The same as in pre-capitalist societies, commodity production persists in a society in transition between capitalism and socialism. But in both cases it concerns *non-generalised*, partial, commodity production. Consumer goods and the means of production exchanged between agricultural cooperatives and state enterprises are as much commodities as those products involved in external trade. But the great mass of the means

of production are not commodities. The greatest part of labour is not either. [18] For the majority of machines, natural resources or labour, there is not, properly speaking, a market.

The distribution of social resources between different branches of production is not effectuated on the basis of the law of value. Machines and work forces are not displaced from branches that might have a lower 'rate of profit' to branches that might have a superior rate of profit. Prices and profits (in any case purely for accounting purposes, and coming from arbitrary prices) are not the signals which determine or re-orientate investment. It is not the law of value but the state, that's to say the bureaucracy, which decides in the last instance the proportions of social product which will be invested and that which will be consumed, as much as the dynamism of the economy taken in its entirety. The Soviet economy is not a generalised market economy. It is an *economy of the central allocation of resources*, a centrally planned economy.

It is not so much a 'pure' economy of allocation. It is a hybrid combination of an economy of allocation and of commodity production in which the law of value doesn't dominate but continues to function. *The influence of the law of value, in the final analysis, limits bureaucratic despotism and restricts it within unbreakable frontiers.* This is what Sweezy and Magdoff do not admit, though they reject – correctly – the existence of the pretended 'economic laws of socialism', but wrongly deduce the possibility of a more or less unlimited economic despotism of the bureaucracy.

In part bureaucratic arbitrariness is circumscribed by objective internal constraints, that is by the limits of material resources that the economy can allocate. In effect the bureaucracy is able to determine, in a despotic fashion, that certain industrial branches should have priority in

receiving rare resources, such as technically advanced resources. It is also able to successively accord priority to heavy industry, to the armaments industry, to the space programme, gas pipelines to Europe, etc. But it cannot liberate itself from the laws of enlarged reproduction. [19] Each disproportionate allocation of resources to the benefit of one distinct branch of the economy leads to disproportions in the whole which undermines the productivity of labour, including in the heavy and armaments industries, and which directs, for example, a part of soviet economic resources towards the importation of food products in place of machines or modern technology, etc. In any case this is only part of the problem. A thousand links unite non-market sectors in commodity-money relationships, in spite of all the terror, of all the repression and of all the despotism of the bureaucracy.

Also, in part, the arbitrariness of the bureaucracy is restrained by the world capitalist market. On the world market it is the law of value which *dominates*. There the only definitive thing is price, determined by the law of value. All the external commerce of the soviet bloc (including trade internal to COMECON) is definitively based on the prices of the world market.

The hybrid nature of the transitional society of the USSR is clearly reflected in the *dual structure of prices*. One series of prices are determined by the law of value. Another series of prices are fixed arbitrarily by the planning authorities. The second group of 'prices' still dominates in the Soviet Union. That is why the soviet economy is still a centrally allocated economy – protected by the state monopoly on external trade – in other words, a planned economy. But the greater the weight of external commerce at the heart of the gross national product of a soviet bloc country, the greater the constraints of the world market, and the more 'planned'

prices are subject to the law of value. This influences the distribution of resources even in the heart of the state sectors of the economy. It is from this fact that the socio-material possibilities of a planned economy, that is the centralised allocation of decisive economic resources, find themselves restrained. The conflict between the 'political' wing and the 'technocratic' wing of the bureaucracy, between 'central' planning and the managers of enterprises, are, in the last analysis, reflections of these objective contradictions.

Even though the persistent existence of commodity production and the despotic domination of the bureaucracy flow from the same source (the isolation of the socialist revolution in a relatively industrially backward part of the world) this despotism remains linked to the collective ownership of the means of production, to the planned economy and to the state monopoly on external trade: commodity production and the functioning of the law of value cannot, in the long term, generalise themselves without breaking the despotism of the bureaucracy.

It is here that we find the decisive reason why the bureaucracy has not become a dominant class. It cannot become so by evolving into a 'new' dominating class but only by transforming itself into a 'classic' capitalist class. In order for a 'new' non-capitalist 'bureaucratic' mode of production to emerge the soviet bureaucracy will have to definitively liberate itself from the influence of the law of value. This would demand not only the dissolution of the relations of distribution based on exchange in the interior of the Soviet Union but also the total emancipation of the USSR in relation to the world market, in other words the elimination of capitalism on a world scale, at least in the most important industrial nations [20], which depends, in its turn, on the final outcome of the struggle between capital and labour on

a world scale. For as long as that struggle is not definitively concluded, that's to say as long as we do not see either the victory of the world socialist revolution, or the self-destruction of the bourgeoisie and the working class in a new barbarism or in the radioactive dust, the future of the Soviet Union remains undecided.

A new dominant class presupposes a new mode of production, with its own internal logic, with its own laws of motion. Up until now, nobody has been able to identify the laws of motion of this 'new mode of bureaucratic production' – for the simple reason that they don't exist. On the other hand it has been possible for us to determine the specific laws of motion of a society in transition from capitalism to socialism, frozen in an intermediate phase by the bureaucracy. The empirical data from the last thirty years has amply confirmed the operation of these laws of motion.

[21]

Partisans for the notion of the 'bureaucratic class' froth in cursing the bureaucracy. But at the same time they are compelled to admit that these 'assassins, criminals, thieves, tyrants' play a *partially progressive role*. This is not accidental: in history each dominating class has, in effect, played a progressive role at the dawn of its domination. For revolutionary marxists, the incontestable *partially progressive aspects* of the interior and exterior role of the soviet state flows precisely from the fact that it still a workers' state, even if a bureaucratized workers' state. The working class was, and remains today, the only socially progressive force on the world scale, the only force capable of resolving the crisis of humanity, the crisis of the 20th century. As for the non-proletarian aspects of the bureaucratized workers' state, all that concerning the particular interests and the specific nature of the bureaucracy in its role as a social layer (its antagonism

towards the working class, its appropriation of a part of social surplus, its conservative role in the international arena), they are profoundly and totally reactionary. [22]

In history ruling classes have been able to maintain their domination in the long term on the single basis of property (in the economic sense of the term: the ability to dispose of social surplus and the means of production). The fate of state functionaries in the Asiatic mode of production is very significant in this regard.

In China, during the initial phases of each dynasty, the objective function of the bureaucracy was to protect the state and the peasantry from the ambitions of the landed nobility (the gentry) in order to permit enlarged reproduction (irrigation works, centralisation of surplus, guarantee of adequate productivity of labour in the villages, etc), and this allowed the payment – often very generous – of the bureaucracy by the state, from the centralised surplus. But the bureaucrat remained dependant on the *arbitrariness of the state* (of the court, of the emperor). His position was never sure. [23] He wasn't able to guarantee that his son or his nephew would obtain the same good position as a bureaucrat. That's why during the second half of each dynastic cycle a general and progressive integration of the landed nobility (gentry) and the bureaucracy is effected. The bureaucrats become the owners of private property, initially of money and valuable furnishings, and then of land (this was frequently by a formally 'illegal' process, comparable to the appropriation of raw materials and finished products by the 'black market' in the Soviet Union). In the same measure that state bureaucrats established themselves in the landed nobility, the centralisation of social surplus was undermined, the power of the state was weakened, the pressure on the peasantry was reinforced and the peasant's income was reduced. Agricultural labour productivity

diminished. Rural exodus, peasants' revolts, banditry and insurrections become more general. Finally the dynasty collapses. A new dynasty – often originally from the peasantry – emerges and restores the relative independence of the state and its bureaucracy in relation to the landed nobility.

An analogous process has developed in the last decades in the heart of soviet society. As long as the absolute poverty in consumer goods persisted there – that is mostly from 1929 to 1950 – the necessity of satisfying their immediate needs pushed the bureaucrats to force the workers into doubling and tripling their efforts. When these immediate needs were assured, the soviet economy was confronted with the same problem that has characterised all pre-capitalist societies. *Dominant classes or layers (castes, etc.), whose overall privileges are reduced to the benefit of private consumption, have no long term objective interest in a durable increase in production.* [24] That is why increases in production and consumption of luxuries goes hand in hand with waste, senseless luxury, individual decadence, (alcoholism, orgies, drugs). In this sense the conduct of the nobility of the Roman empire, of the nobility of the French court of the 18th century, of the Ottoman nobility of the 19th century, of the tsarist nobility on the eve of the Russian revolution is almost identical.

The parallel of the factions of the upper layers of the soviet bureaucracy and the parasitical *rentiers* of monopoly capitalism is evident. It is only the entrepreneurial capitalist class that is *forced by the pressure of competition* (that is of private property and generalised commodity production) to conduct itself in a fundamentally different manner. If competition weakens, capitalism tends to stagnation – so said Marx. But competition flows from private property

(once again in the economic sense of the term). Without the one, the other loses all significance.

In the course of the 1950's the critics of our thesis, according to which the USSR remains a transitional society, yelled their heads off that what prevailed in that country was 'production for production's sake', which leads to a permanent, exceptionally high level of growth. Our analysis permitted us to predict that the opposite was going to happen, given the peculiar nature of the bureaucracy. History has already judged.

From this an empirically verifiable dynamic of the soviet economy is possible. The slower the growth of the soviet economy, the more one part of the bureaucracy pushes for a decentralisation of the means of production and the social surplus, in the name of the increase in the 'rights of the directors', in effect an illegal appropriation of productive resources for *private* production and profit. This progressively saps centralised planning. This leads to the reinforced operation of the law of value and gives a definitive opening to a tendency to the restoration of capitalism. In parallel with this process, there is a growing division at the heart of the soviet bureaucracy, and above all the growing opposition of the working class. [25] Because the workers note in practice that private appropriation and private property cannot impose themselves other than *to the detriment of full employment and at the price of an ever greater inequality*. Examples from Poland and the Soviet Union confirm that the working class fights tenaciously for full employment and against social inequality. [26] This is why worker self-management, combined with an imaginary 'socialist market economy', only masks the problem in place of resolving it. There is no real *power of decision* for the worker collectives (and thus no real self-management) if the law of value is able to impose business closures on them.

There is no real 'market economy' if worker collectives can effectively prevent fluctuations in employment.

In brief, if one witnesses in the Soviet Union and similar societies an embryonic transformation of parts of the bureaucracy into a 'ruling class', it is not a 'new bureaucratic ruling class' that is involved, but indeed the embryo of the good old class of capitalists and *private* proprietors of the means of production. If this transformation of bureaucrats into capitalists is realised it would reflect the process by which the law of value would finally reach dominance, rather than just influence, in the soviet economy. Such a process demands a generalisation of commodity production, that's to say a transformation of the means of production and of *labour power* into commodities. To reach this point the process would have to destroy the collective ownership of the means of production, institutionally guaranteed full employment, the dominance of centralised planning and the state monopoly on external trade. This cannot only happen on the economic terrain and would demand a new historic defeat of the soviet working class on the social and economic level. This defeat hasn't happened yet. [27]

Forces that favour an anti-bureaucratic political revolution (and which, in the long term, *are stronger* than those which would lead to a restoration of private property and capitalism) push soviet society in an opposite direction: that of a contraction in the operation of the law of value, of the reinforcement of the collective ownership of the means of production, of the resolute limitation of the field of activity of the bureaucracy and of social inequality, of the withering of the state. They operate objectively in favour of a new, decisive progress towards socialism and the world revolution.

The October revolution and the bureaucratic domination that resulted from its isolation cannot be explained except

by a combination of specific limits of Russian ‘internal development’ (a ‘barbaric’ capitalism in a semi-feudal state under strong external imperialist influence; a feeble ‘indigenous’ bourgeoisie; a relatively stronger working class, more concentrated and more conscious) and of the prodigious development of world capitalism and of the world proletariat in the imperialist epoch. For the self same reason the Russian bureaucracy is unable to transform itself into a ‘ruling class’ for as long as the fate of capitalism isn’t decided internationally one way or another. And for the same reason the ‘old filthy business’ which re-emerged in the USSR after the victory of the revolution wasn’t able to take the form of a new class society but that of a bureaucratisation of society in transition between capitalism and socialism.

Top of the page

Part II

Footnotes

- 1.** Friedrich Engels, **Anti-Dühring**, p.168, **Marx-Engels-Werke, MEW**, vol.20, our own translation.
- 2.** Friedrich Engels, **The Origins of the Family, Private Property and the State**, MEW, vol.21, pp.165-166.
- 3.** Friedrich Engels, **Anti-Dühring, ibid.**, p.169.
- 4.** Karl Marx, **The German Ideology**, Éditions Sociales, Paris 1966, pp.51-53.
- 5.** Leon Trotsky, **The Revolution Betrayed**, Paris, Grasset, 1937, pp.70, 131-132.
- 6.** Friedrich Engels, **The Origins of the Family, Private Property and the State, ibid.**, p.165.

7. Rosa Luxemburg, **The Russian Revolution**, Paris, Maspero, 1964, p.71.

8. **Ibid.**, p.70.

9. Friedrich Engels, *A Contribution to the Critique of Political Economy*, **Selected Works in 2 vols.**, vol.1, p.390, Éditions du Progrès, 1955.

10. Karl Marx, **Critique of the Gotha Programme**, **MEW**, vol.19, p.20.

11. Karl Marx, **The German Ideology**, **op. cit.**, pp.53-54.

12. For example, Fédosseiev et al., **Marxist-Leninist teachings on Socialism and Actuality**, Moscow 1975, p.97.

13. V.I. Lenin, **The State and Revolution**, in Lenin, **Works**, vol.25, Paris-Moscow, Éditions Sociales – Édition de Progrès, 1971, p.502. It should be noted that Lenin is speaking of the quantity of work and not of the quantity and quality of work.

14. 'We often say that our republic is a socialist republic. Does that signify that we have already realised socialism, eliminated classes and the state – because the realisation of socialism signifies the withering away of the state? Or is it that it signifies that classes, the state, etc. survive under socialism? It is evident that it doesn't signify that.' (J.V. Stalin, **Letter to Kouchtyssiev** of the 28th December 1928, in **Werke**, Vol.11, p.278. Our translation from the German.

15. George Lukacs, *Letter to Alberto Carocci*, in **Forum**, Austrian monthly for cultural liberty, 10th year, Hefte 115-116, 117, 1963. Here cited from Lukacs, **Schriften zur Ideologie und Politik**, Luchterhand Verlag, 1967, p.661.

16. Trotsky, **The Third International after Lenin**, Paris, PUF, 1969, vol.1, p.188.

17. Cf. Marx, *Forms which precede capitalist production*, in **Grundrisse**, pp.471-514, on the role of communal property as an obstacle to capitalist relations of production and even to the production of exchange values in the villages. 'Its first task [great industry's] is to incorporate the country, in all its amplitude, into production not of use values but of exchange values.' The most

significant passages of Marx on this subject are to be found in **Capital** vol.1, in **MEW**, vol.23, pp.378-379.

18. We cannot analyse Soviet wage labour in detail here. The concept of 'wages' takes account of two phenomena (processes) which combine under capitalism, but not in pre-capitalist or post-capitalist societies (or at least not with the same dynamic). On the one hand, it signifies indirect access to consumer goods, only in exchange for money and limited by that. *In this sense* the Russian worker is certainly still a wage worker. But wage labour also signifies the existence of a labour market, the constraint of producers in selling their labour power in this market, and the determination of the price of 'labour power' by supply and demand in this market, a price which oscillates around an objective social value of the price of such 'merchandise'. For this to happen the wage labourer must have been deprived of access to the means of production as well as from the means of subsistence. This no longer exists in the Soviet Union, to the extent that the 'right to work' is guaranteed not only in the constitution but also in practice. Labour power (with significant exceptions) is thus not a commodity and the wage labourer is not a wage labourer in the capitalist sense.

19. This constitutes the fundamental theoretical error of Castoriadis and others who pretend that the armaments sector has attained a complete autonomy in the USSR. Cornélius Castoriadis, **Devant la Guerre 1**, Farard, 1981.

20. We ignore the unrealisable 'special case' where the USSR achieves such a stunning advance in average labour productivity *vis-à-vis* international capitalism that it will be able to liberate itself in a 'purely economic' fashion from the law of value. In this case, it would become a kingdom of abundance, that's to say a communist society where there will not be a place for a 'new leading class'.

21. Cf. our essay among others *Ten theses on transitional society*, in **Probleme des Sozialismus und der Uebergangsgesellschaft**, Suhrkamp, 1972, also *The Laws of Motion of the Soviet Economy*, in **Critique** number 12, 1974. We have expressed this same fundamental point of view in the

chapter given over to the soviet economy in **Traité d'Économie Marxiste**, written in 1960 and published for the first time in 1962.

22. Cf. our polemic with Paul M. Sweezy in **Monthly Review**, and with **The Alternative** by Rudolf Bahro. The formula 'Bureaucratic state' doesn't have any meaning. The state is 'bureaucratic' by definition! It represents an apparatus separate from society. Everything depends on the class nature of the state and thus of the bureaucracy. There are despotic bureaucracies (those under the Asiatic mode of production), bureaucracies of slavery, feudal and semi-feudal bureaucracies (these last in absolute monarchies), bourgeois bureaucracies, workers' bureaucracies, etc. Apparently, the soviet bureaucracy is still a workers' bureaucracy, which doesn't 'justify' or in any way soften its parasitic characteristics, its enormous waste of social resources or its crimes. But a 'bureaucratised bureaucracy' is a formula which has no meaning.

23. The parallel between the complicated, hierarchic and extremely formalised system of state offices in traditional China on the one hand and the *nomenklatura* in the soviet bureaucracy on the other (which are both based on examination, in the case of the USSR by examinations in the theory and practice of 'marxism-leninism') jumps out at one and is very significant sociologically.

24. '(...) In part because in each previous mode of production the principal proprietor of the social surplus ... the slaver, the feudal lord, the state, for example the oriental despot, represent the idle rich'. Marx, **Capital**, vol.III, **MEW**, vol.XXV, p.343.

25. All the layers of the bureaucracy – not only the imagined 'political' bureaucracy – which have no direct relations with the means of production, and can only 'command' in an indirect manner with orders, are much less inclined to abandon the centrally allocated economy, the imperative nature of the plan and the collective ownership of the means of production. But this does not at all mean that they are less corrupt or less interested in their own enrichment, including the private accumulation of gold, foreign goods, jewellery, works of art, Swiss bank accounts, etc.

than the technocratic and administrative layers of the bureaucracy (at the level of the factory).

26. Different observers of Soviet daily life, notably the philosopher and satirist Alexandre Zinoviev (cf. Alexandre Zinoviev, **Le Communisme comme Réalité**, l'Age d'Homme, Paris, 1981) but also, unfortunately, the oppositional revolutionary socialist Ticktin, affirm that stability in the Soviet Union rests on a tacit connivance between the bureaucracy and the workers (Ticktin, **Critique** no.12, pp.132-135, and p.129). The weakness of this thesis has been demonstrated by the events in Poland in the summer of 1980, and the tenacity of the Polish workers in obtaining greater social and economic justice. Ultimately it is a thesis apologetic of the 'really existing' conditions, just like the parallel thesis on the pretended 'consensus' between capitalists and the 'silent majority' in the west. The 'rational heart' of this thesis is unravelled by the fact that in the 'private' sector (the black and grey sectors of the economy), salaries in the USSR can be effectively six or seven times higher than in the state sector. But, in the Soviet Union, that is only possible precisely because these sectors are marginal and have no decisive weight at the heart of the economy (on this subject ridiculous exaggerations circulate in the west). There isn't a single material basis to allow the real average salary to be six or seven times higher than it is today in the USSR. Cf. Marx's observations on the role of slave production at the heart of capitalism, **Grundrisse**, p.368, German edition.

27. Bettelheim, **Les Luttes de Classe en Union Soviétique**, analysis and details of workers' struggles which happened in the Soviet Union in the twenties and thirties. But this doesn't at all prove that this struggle finished in the resurrection of a *labour market*, that is the transformation of the proletariat into 'free wage workers', that is by an *economic defeat of the workers*. What it proves is the grave *political and social defeat* of the soviet working class. But this is a thesis that the soviet left opposition – unknown by Bettelheim – and later on the Trotskyist movement defended for over forty five years. This defeat was precisely the soviet *thermidor*. Like the thermidor of the French revolution, it

retained the economic foundation of society created in the course of the revolution, instead of destroying it.
