

## **CHAPTER 12**

### **THE SOVIET SOCIAL FORMATION**

By now it must be clear that the expression "existing socialism" often used to designate the Soviet social formation does not make sense. The Soviet Union and China are not socialist countries. They are statist social formations, where the statist or technobureaucratic mode of production is dominant. They are not market economies, but also they are not planned economies, since the scope of planing proved quite limited in these countries. They are rather command economies, or, as Jacques Sapir (1990) suggested, they are "mobilized economies", that work well as long as they are able to function as war economies.

The writings about the Soviet Union before perestroika and glasnost make it possible to define four alternative theories about the nature of the social formation prevailing in countries like the Soviet Union and China:

(1) The Socialist theory: existing socialism is real socialism, is a transitional phase to communism (Stalin, official Soviet theory, David Laibman).

(2) The state-capitalist theory: existing socialism maintains the basic characteristics of capitalism (a wage labor force, for instance), the social formation continues to be a class society, in which the dominant class is the state-bourgeoisie (Kautsky, Bettelheim, Tony Cliff).

(3) The bureaucratic degeneration theory of the transition to socialism: existing socialism is an effective step in the direction of socialism which was degenerated or betrayed by a state bureaucracy, which is not a new class but a "caste", a "stratum", or a "privileged group" (Trotsky, Ernest Mandel, Rudolf Bahro, Paul Bellis).

(4) The manifestation of a new mode of production: the theory I develop systematically in this book, particularly in Part II, but whose origins are in the works of Bruno Rizzi, James Burnham, Max Shachtman, Castoriadis and Milovan Djilas.

#### **1. The Transition to Socialism Theory**

The first two theories are not worth discussing. The non-socialist character of existing socialism is self evident. It is an authoritarian regime, based on the politization of the economy and characterized by political privilege based on the

hierarchical position each person holds in the state bureaucracy. Only a strong need for political legitimation can explain calling this type of social formation socialist, or even a transition to socialism. As the Hungarian philosopher Mihaly Vajda says about existing socialism:

"This form of society is no longer capitalism, nor can it be termed socialism... There does not exist a state which could 'bring in' socialism: such an idea contradicts the very essence of socialism, for socialism, not as a state of affairs but as a movement of society, means human self-determination and implies a radical restructuring, not a repolitization, of civil society" (1981: 144).

Surprisingly, a contemporary Marxist like David Laibman must be included in those supporting socialist theory. After refuting the state-capitalist theory, and admitting that the "exploitative bureaucracy hypothesis is better off," he says that evidence on the class background of the occupants of administrative posts does support the concept of a self-reproducing elite"; but as Laibman is not able to see new relations of production in the Soviet Union that were not forecast by Marx "unless one succumbs to the illusion that power resides in the 'office' itself", he concludes that "the evidence, then, when evaluated in a consistent Marxist way, appears to be at least consistent with the view that the Soviet social formation is socialist" (1978: 31-33).

It is certainly always possible to say that what is found in the Soviet Union is a transition to socialism, but this means nothing. Capitalism also would be a "transition" from feudalism to socialism. On the other hand, since perestroika and the reforms in Eastern Europe represent a direct rejection of statism, how can it be called "existing socialism" or even "a transition to socialism"?

## **2. The State-Capitalist Theory**

The state-capitalist theory commits the opposite mistake. All basic traits of capitalism have been destroyed in existing socialism (private property, private appropriation of surplus value, the profit motive, market control, etc.) and yet some Marxist and the majority of non-Marxist critics of the Soviet Union insist in calling the bureaucracy a "state-bourgeoisie". This position, that may be identified with Bettelheim, although loosely espoused by many others, can only be sustained if one is not acquainted with Marx's classical conception of capitalism. Otherwise it is untenable. In the words of Lucio Lombardo Radice:

Bettelheim's position, like that of so many others, is based on a series of linguistic abuses that makes it propagandistically rather than effective, but

scientifically inconsistent. Privilege becomes 'profit', state functionaries who direct a whole state economy become the 'bourgeoisie', state socialism becomes state 'capitalism' (1980: 140).

### **3. The Bureaucratic Degeneration Theory**

The main advocate of the theory of the bureaucratic degeneration of the transition to socialism was Trotsky. As early as 1927, he was criticizing the bureaucratization of Soviet society. For him, "the question of Soviet bureaucratism is not only a question of red tape and swollen staffs. At bottom it is a question of the class role played by the bureaucracy" (1927: 58). However, Trotsky never took this analysis to the end. On the contrary, as he was always hoping that a political (not a social) revolution would overthrow the ruling bureaucracy, he insisted in calling the Soviet Union a "worker's state", and on seeing the bureaucracy either as a caste or as a stratum (1) that caused the degeneration of the socialist revolution, (2) that expropriated the proletariat, (3) that assumed the role of the "owner" of the state, (4) that enjoyed privileges under the form of abuse of power, but, nevertheless, and (5) that acted as guardian of the socialist relations of production established by the October Revolution.

All of Trotsky's followers and most of his critics, including those who wanted to develop a theory of a new mode of production, were not able to solve the contradictions intrinsic to Trotsky's basic position. The first proponents of a new mode of production, such as Rizzi, Burnham, Shachtman and Castoriadis, were former followers of Trotsky. They rejected the "worker's state" thesis, and eventually abandoned Marxism to become fierce critics of the Soviet Union. However, as long as they remained Marxists or neo-Marxists, they were not able to develop an effective theory of the new mode of production.

Others, such as Paul Sweezy, who has nothing to do with Trotsky, went as far as finally recognizing the class character of the Soviet bureaucracy (1980). Although Rudolf Bahro, on the other hand, spoke of a specific social formation and related it to the Asiatic mode of production, he limited himself to defining it as "proto-socialist" (1978: 161), along a line not far from Trotsky's. A very interesting contribution to the definition of the nature of existing socialism was made by Umberto Melotti (1977), but his rigid parallelism of capitalism and "bureaucratic collectivism" cannot be accepted.

#### **4. A Statist Social Formation**

Our contention is that existing socialism, whose prototype is the Soviet Union, is a statist social formation - a social formation in which statism is the dominant mode of production. I should just call these social formations statism because the statist mode of production appears in its almost pure form. Although technobureaucratic capitalism is a mixed social formation in which capitalism is dominant but statism is present, capitalism was practically abolished in the statist social formation. Given the abolishment of private property and a more equal distribution of income, we can see traits of the socialist mode of production, but they are very dim. The pre-eminence of the state, the class character of the technobureaucracy and the authoritarian political regime prevailing in these societies make capitalism and socialism very distant. Branko Horvat also used the expression statism (actually, "etatism") to characterize the Soviet type of social formation. But he defined statism in a descriptive way as "a society where its ruling strata profess the basic tenets of traditional socialist ideology", but where, contradictorily, "a strong, centralized, authoritarian state becomes the pivot of society". (1982: 21)

In this social formation, the technobureaucracy is the dominant class not only because of its privileges and because it is clearly separate from the rest of society, but also because it owns the state bureaucratic organization collectively. It is important, however, to recognize that the class differentiation there is not as clear as in capitalism. The technobureaucracy is not an elite that reproduces itself easily. It developed certain techniques of social reproduction, but all accounts of the Soviet Union show that these mechanisms are weak. Social mobility in statist social formations is intense. There is a dominant class, but it is not always easy to distinguish the dominant and dominated classes. In statism, as in capitalism, there are two classes: the technobureaucracy and operative workers. There is a system of stratification dependent on the intrinsically hierarchical character of statism, that also makes the adoption of strata or layers a helpful way of describing this type of society. Western functionalist sociologists use the stratification approach as a substitute for the class system. This is a way of playing down the class character of technobureaucratic capitalism, but is also a realistic recognition that in contemporary capitalism the presence of technobureaucratic elements is quite clear.

#### **5. An Authoritarian Regime**

Statist social formations tend to be more egalitarian than technobureaucratic capitalism, but on the other hand they are much more authoritarian. Actually, the

Soviet regime is monolithically authoritarian. Gorbachev's glasnost, that began to change this situation in mid 1980s, is, together with perestroika, a true revolution that is seeking to change the essential character of this social formation. Despite the old official Soviet discourse that insistently spoke about democracy, the regime was definitively dictatorial before glasnost.

The "Soviet democracy" is guaranteed by the Constitution and its principles are equality before the law, equal rights for women, the equality of nations and ethnic groups and the right to participate in the government at all levels. This has been confirmed in a book which presents the official position of the Soviet government regarding the issue: "...at the root of socialist democracy lies the conception of socialist property and the socialist system of the economy, together with the increasing social homogeneity of the Soviet people as a new historical community" (D.A. Kerimov, 1979: 6). The official Soviet discourse is democratic, but for seventy years it was a fictional democracy. This contradiction is in fact common to all dictatorial regimes, as the recent authoritarian experience in Brazil demonstrated. Yet while the authoritarian regime was a relatively foreign element within Brazilian society, in the Soviet Union it was profoundly integrated into social formation.

The non-existence of democracy in the Soviet Union for 70 years and the authoritarian regime that continue to prevail in China are obviously no accident. In the same way that differences in class and wealth are structural elements in capitalism, the dictatorship of a technobureaucratic class is inherent to statist social formations - to social formations where the technobureaucratic mode of production is dominant. The entire society tends to be reduced to a bureaucratic organization. In the limit, the bureaucratic organization or state apparatus embraces society as a whole. As a consequence, two correlated essentially anti-democratic principles - centralization and hierarchy - are spread throughout the society. Decentralization is insistently spoken of in the bureaucratic organizations, yet it is nothing more than a strategy for maintaining the ultimate power concentrated at the top of the hierarchical pyramid. Centralization or "democratic centralism", and hierarchy or "discipline and monolithic unity of the people", are the two basic principles of power in a statist regime.

Glasnost is changing or changed all this in the Soviet Union. In Eastern Europe the authoritarian regimes came to an end and the statist social formations are in full process of transformation. The foreign debt crisis, that hit most of the Eastern European countries severely, deepened the economic crisis and hastened the political transformations that glasnost and perestroika triggered. In these countries, a complete transition to a technobureaucratic capitalist social formation is under way. In the Soviet Union, changes will tend to be less dramatic, but it is difficult to know how far they will go.

Howard Sherman says that:

"The first Soviet Revolution took place in 1917; the second is presently under way. If it succeeds, the Soviet Union will undergo a profound transition from a statist political-economic system to a democratic socialist political-economic system... Socialism is public or collective ownership and control, where the public institutions (the government) and the collectives (or cooperatives) are democratically governed" (1990: 14).

This view is shared in a utopian way by democratic socialists, as Sherman, and in a pragmatic way by communist political leaders and ideologues in the capitalist countries, that try to see in the developments of the perestroika a victory instead of a defeat. Actually there is no doubt that in Soviet Union as in Eastern Europe statism was defeated and socialism remains an utopia. Not, however, an impossible utopia.

Soviet Union, in early 1990s, faces a terrible economic crisis. The perestroika, for the moment, only deepened this crisis. The result of all this will be a mixed democratic society where, possibly, given the remaining power of the Communist Party, socialists characteristics may prevail over capitalist and technobureaucratic ones. Instead of technobureaucratic capitalism we could have a market oriented technobureaucratic socialism, where capitalistic features would be most important. Anyway, no reliable prediction are possible in this area.