

CHAPTER 12

Bureaucratic Advance and Social Lag in the Revolution

Thanks to the peculiar nature of the Russian Revolution, Russia leaped ahead of the capitalist world toward bureaucratic forms in its political and economic institutions, while society at large lagged behind the capitalists or even regressed. Neither anomaly can be accounted for in the usual theoretical perspectives. Soviet society cannot be classified either with the First World of industrial capitalism or with the Third World trying to rise out of precapitalist, traditional ways; it was distinctly the Second World, overdeveloped in some ways and crudely underdeveloped in others. This contradiction has left an intractable legacy for post-Communist reformers, whose task is far more daunting than a simple "transition to market democracy."

Western capitalism is a natural baseline for measuring the character and development of the Soviet system, as long as it is not assumed to be a foreordained channel for every modern society. But this measure has not stood still: Dynamic change has always been the essence of capitalism, even though the classical and neoclassical economics adduced in the West to explain the system have usually analyzed it with unreal, static assumptions.¹ The history of capitalism has been virtually synonymous with the process of modernization and the transformation this has brought about in the life of society. Now a new kind of revolution has been running its course in the countries of advanced capitalism, without a violent political break. This is the process described by many writers from Max Weber on as the transition from bourgeois society to managerial society, from individualism in economics and politics to the dominance of hierarchical

organizations and the "preeminence of the professional and technical class," in Daniel Bell's formulation.²

Some terminological clarification is in order at this point. "Bureaucratic" and "managerial," though often used synonymously, are more accurately distinguished in the same manner as "capitalist" and "bourgeois," the one concept referring to the structure of the social system and the second to the corresponding dominant class together with its ethos. The bureaucracy and the managers are commonly referred to as the "New Class," although Milovan Djilas when he popularized the term had in mind only the ruling elite under Communism.³ A more workable term for the ruling class under Communism is the *nomenklatura*, the pyramid of officials (mostly governmental and industrial) subject to party approval for their jobs.⁴ The American economic historian Harold Perkin called the whole modern trend "professionalism."⁵

Sometimes, especially in earlier writings, the "New Class" is identified with the intelligentsia, but the meaning of this term varies, and the facts are at issue. The Soviet usage of "intelligentsia" was much broader than the Western, extending to the entire class of technically trained and white-collar workers, a large, diverse, and internally stratified segment of society. Potential class rule by the intelligentsia, understood more narrowly as the educated professional and culture-creating segment of society, has been attacked in works ranging from the prerevolutionary Polish anarchist Jan Machajski (who warned of a "dictatorship of the intellectuals") to the Hungarian dissidents George Konrad and Ivan Szelenyi (who saw the intelligentsia accommodating Stalinism to advance its class interests).⁶ But politically the intelligentsia in this stricter sense was more victim than victor in the Russian revolutionary process, yielding to the distinctly anti-intellectual controllers in the *nomenklatura*. Weber distinguished under capitalism "the propertyless intelligentsia and specialists" and "the classes privileged through property and education"; it was the latter, more or less, that the Soviet system replaced with the party officialdom, merely giving the nascent meritocracy a new master.⁷

Understanding of the contemporary revolutionary transformation has been obscured both by Marxist assumptions about the nature of historical change and by free-market ideological images of the contemporary world. Major shifts from one socioeconomic formation to another, from the dominance of one class to that of another, are not usually abrupt but gradual and mixed. In fact, the notions of clear-cut socioeconomic formations and the corresponding rule of successive classes is an oversimplified imposition upon history. It follows that violent political revolution is not inevitable in this process of change.

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Marxists have found it harder to conceptualize the managerial-bureaucratic transformation than have non-Marxist critics of capitalism. To be sure, the proposition that the proletariat is the class destined to supplant the bourgeoisie as the ruling class quickly proved in the course of the Russian Revolution to be one of the more mythical aspects of Marxism. This left the problem of defining the ruling class under Communism as well as the ongoing development of capitalist society. Probably the first person to suggest the emergence of the bureaucracy as a new ruling class was the exiled Trotskyist Khristian Rakovsky.⁸ Trotsky himself would concede only a "bureaucratic deformation" in what to him remained a "workers' state": "From the Marxist point of view, it is clear that the Soviet bureaucracy cannot change itself into a new ruling class."⁹ Other analysts in the Marxist tradition have struggled to reconcile the facts with Marxist class theory by looking to "collective property" or "bureaucratic collectivism" as the basis of bureaucratic class rule.¹⁰

It remained for certain former Trotskyists, notably the Italian Bruno Rizzi and the American James Burnham, to combine the separate insights about capitalist and Soviet society into a general theory of contemporary social evolution toward bureaucratic class rule, whether it proceeded under the aegis of Communism, fascism, or democratic reformism (Social Democracy or the American "New Deal").¹¹ They posited the emerging dominance of a new elite that was coming to power in some form of the "managerial revolution," to rule not on the basis of private property but through its expertise and its control of organizational hierarchies, public or private. Russia, in this perspective, was only the most advanced instance, "in some ways the first professional society," as Harold Perkin has described it, "if that society is defined as the rise to dominance of the professional elites and the displacing of their landed and capitalist rivals," even though the Soviets represented only "one extreme, admittedly pathological, species of professional society."¹²

Ideology never caught up with this novel class reality, either under capitalism or under Communism, even though there were earlier sources for the managerial concept. Saint-Simon anticipated it with his faith in the "industrials" to consolidate the liberal revolution,¹³ while Marx himself opened a different avenue to the idea of bureaucratic rule in his references to the "Asiatic mode of production" (a notion suppressed under Stalin because of its embarrassing implications). To the end, the Soviet regime represented itself as the workers' state anticipated by Marx, while contemporary globalized corporate capitalism, for its part, continues to represent itself as the system of individual private property and free markets heralded by Adam Smith. Labels aside, the Soviet system of state socialism was not the polar opposite of capitalism, as both its

apologists and its enemies always claimed, but only an extreme instance of the common managerial trend.

Viewed in the perspective of the general managerial transformation of modern society, the Russian Revolution was at odds with itself. The Bolsheviks initially saw the trend toward bureaucratic structures and New Class rule exclusively as a phenomenon of late capitalism, leading to the new Leviathan state that Bukharin saw looming. The socialist revolution was supposed to cut off this line of development in favor of the participatory rule of the workers, but that hope proved to be chimerical, under the constraints both of Russia's backwardness and of the direction that modernization was taking everywhere.

It has always been difficult to reconcile the Russian Revolution with the principles of classical Marxism. Russia at the point of the revolution was not the most advanced capitalist country with the most mature proletariat, but an underdeveloped, largely peasant society with a prebourgeois, autocratic government that was destabilized by the rapid development of capitalism in the late nineteenth and early twentieth centuries. To describe the contrast of capitalist industrial islands with a precapitalist, peasant sea, Trotsky offered his "law of uneven development" or "combined development," an observation that could apply to any developing country.¹⁴ Lenin's description of Russia as "the weakest link in the chain of imperialism" suggested both the greater likelihood of an anticapitalist revolution in Russia and its destabilizing impact on the more advanced capitalist countries (a deduction from his mechanical metaphor that proved to be greatly exaggerated).

Lenin's and Trotsky's theories help explain why an overt anticapitalist revolution should have taken place in Russia, but they do not address the Marxist proposition, subscribed to even by the Communists until the mid-1920s, that Russia by itself was unready for socialism. Russia's uneven development, along with the strain of war, could explain the outbreak of anticapitalist revolution, but the revolution was nonetheless premature, even in the terms of its own ideology. Indeed, all revolutions, as they intensify from their moderate beginnings to their peaks of utopian violence, develop radical aspirations that are premature in relation to the readiness of society at large to sustain them.

The consequence for Russia of the inevitable discrepancy between revolutionary aims and social reality was a series of deep contradictions in the behavior of the victorious Bolsheviks. It was easy to liquidate the new institutions of a nascent capitalism but more difficult to replace their functions, particularly for a party entranced by the presumed revolutionary mission of a social group—the proletariat—that was too weak to start with and ill-equipped for

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the role of managing a modern society. Once in power, Lenin quickly forgot the utopianism of his *State and Revolution*, and with Trotsky's support, came to terms with the need for bureaucratic hierarchy and technical expertise.

At the same time, the Communist regime had to deal with the precapitalist sectors of Russian society that had not yet been concentrated into large units by capitalism. In the heat of civil strife, under War Communism, the revolutionary government virtually declared war on these elements by way of its policies of confiscating food from the peasants and attempting to nationalize all trade, manufacturing, and services, however small the scale of the enterprise. With these steps, the Communists were attempting to impose exaggerated principles of noneconomic direction from above before the natural process of capitalist concentration could take place and render the "petty-bourgeois" sectors ripe for socialization.

With the introduction of the NEP, the Communist regime relented in its hostility both toward the precapitalist peasantry and traders and toward the postcapitalist technical intelligentsia. This was a compromise line of policy that might have given Soviet Russia a very different face had it not been for the events of the late 1920s that ushered in a postrevolutionary dictatorship with its own radical agenda. At that point Stalin, aiming to consolidate his personal control over the party and defeat his political rivals of the moderate Bukharin group, mobilized the residual class-war sentiments of the early revolutionary years and ended the thermidorean period with his revolution from above, extending the bureaucratic principles of the party to the whole of society.

Bukharin, like Trotsky earlier, awoke to the dangers of the bureaucratic trend when Stalin turned against him. In 1928–29 he published a series of oblique warnings about the overgrowth of the state machinery: "We are *much too* centralized. We must ask ourselves whether we cannot take a few steps in the direction of Lenin's Commune state," that is, the ideological mirage of *State and Revolution*.¹⁵ Citing the Weberian sociologist Hermann Bente on the worldwide trend toward "organized capitalism," Bukharin appealed for "mass participation" as "the basic guarantee against a bureaucratic transformation of the cadre group."¹⁶ But Stalin's version of the managerial revolution could not be stopped; it was the essence of the postrevolutionary dictatorship that lasted until the 1980s.

Built into the Stalinist system was continuing tension between the controllers in the party apparatus and the experts—the technical intelligentsia—in other sectors of government and society.¹⁷ It is hard to say who was the "ruling class," unless, following Pareto, one distinguishes between "governing elites" and "nongoverning elites," or in Svetozar Stojanović's terms, the "ruling class"

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and the "dominant class."¹⁸ Though Marxist ideology officially remained in force, the movement for the workers' paradise turned into its diametric opposite. "Thus," Weber had predicted in 1917, "the abolition of private capital would simply mean that the *top management* of the nationalized or socialized enterprises would also become bureaucratized. . . . State bureaucracy would rule *alone*."¹⁹

The revolutionary creation of a bureaucratic social system did not take place all at once but only by stages, governed by the unfolding revolutionary process, and it involved bitter conflicts among the revolutionaries themselves. There was plenty to build on in the Russian governmental and military tradition, reinforced as it had been by administrative borrowings from the West from the time of Peter the Great on. (Bakunin called the tsarist regime a "Germanic empire with the knout.")²⁰ At the same time, the Communist leap to managerial bureaucracy lacked a firm basis of organic development in civil society, though there were new resources for it in the large-scale corporate form of Russia's nascent capitalism, nourished in the immediate prerevolutionary years by the influx of foreign capital and by expanded technical training for Russians.

As befits the author of "What Is to Be Done?" Lenin was not blindly enamored of the spontaneous revolutionary forces that swept him into power. Along with the utopian dream of *State and Revolution*, where any cook could learn to manage the state, he reminded his followers of the need for authority and organization; socialism, he argued, was "nothing but state capitalist monopoly *made to benefit the whole people*."²¹ For political reasons, he had to endorse the burgeoning movement for workers' control in industry, but only as a check on the private owners, not as a form of nationalization: "By confiscation alone you will do nothing, for in that there is no element of organization."²²

Some five months after coming to power, endeavoring to resolve the growing controversy in the party between the utopians and the pragmatists over how to organize the economy, Lenin made a statement to the Communist Central Committee that foretold the whole future metamorphosis of the revolutionary society into a managerial bureaucracy.²³ He had been proceeding cautiously with nationalizations, and while leftist sentiment was building up for a wholesale takeover by the workers, he stressed only the need to restore managerial authority and labor discipline in both corporate and public enterprise, including "dictatorial authority" on the railroads.²⁴ Now, still gesturing to the "independent creative work" of the masses, Lenin reminded the party leadership of the need for "an extremely intricate and delicate system of new organizational relations," supported by "self-sacrifice and perseverance" and "the strictest and universal accounting and control of the production and distribution of goods."

To this admonition he added an acknowledgment of the role of the meritocracy and appropriate compensation for its members: "Without the guidance of specialists in the various fields of knowledge, technology, and experience, the transition to socialism will be impossible."²⁵ Nor could this transition be accomplished "without coercion and without dictatorship. . . . The revolution has only just smashed the oldest, strongest and heaviest fetters to which the masses submitted under duress. That was yesterday. But today the same revolution demands—precisely in the interests of its development and consolidation, precisely in the interests of socialism—that the masses *unquestioningly obey the single will* of the leaders of the labor process."²⁶

Lenin's new stance was bitterly attacked by the revolutionary purists, the Left Communists, warning of what they could only conceive of as "a petty-bourgeois policy of a new form" opening the way to "the full domination of finance capital."²⁷ This was just the first clash in a ten-year series of futile opposition protests reflecting the tension between the revolutionary ideal and the bureaucratic requirements of modern society and documenting the step-by-step accommodation of the party leadership to the latter.

War Communism, ushered in by the outbreak of general civil war and the sweeping nationalizations with which the Soviet government responded in May–June 1918, combined leftist appearances and an intensification of the underlying bureaucratic trend. Once the competition of other socialist parties had been suppressed in mid-1918, the Communist Party apparatus displaced the nominal government as the commanding authority, reverting from its loose practices of 1917 back to Lenin's prerevolutionary conspiratorial model, infused with what Rosa Luxemburg had called "the sterile spirit of the night-watchman."²⁸ Almost overnight, the party apparatus emerged as the totalitarian society in microcosm.

Bureaucratic arrangements were quickly restored in the military and in industrial organization. Trotsky promised to dispose of objections to traditional military command with "complete ruthlessness."²⁹ This authoritarian philosophy, and especially its corollary of employing ex-tsarist officers, was bitterly resisted by the "Military Opposition" at the Eighth Party Congress in March 1919. These critics were immediately denounced as "petty-bourgeois"—"To preach guerrilla warfare as a military program is the same as to recommend turning back from large-scale industry to handicraft trades"—though controversy over revolutionary versus conventional principles of military organization continued to the end of the 1920s.³⁰

Parallel objections to the employment of *spetsy* in industry and the suppression of workers' control were voiced by the Democratic Centralists and the

Workers' Opposition, as they tried vainly to sustain the antimanagerial critique initiated by the Left Communists in 1918. Instead, the economy was brought under completely top-down direction through the *glavki*. Trotsky wanted to carry this principle to its logical conclusion by forming "labor armies," merging the trade unions into the government structure, and applying "measures of compulsion" to effectuate "a single economic plan,"³¹ though this vision evaporated upon the introduction of the NEP.

The Communists' transition to the NEP in 1921 was an admission that their drive toward a totally bureaucratic economic system, relying on compulsion rather than incentives, had gone too far and too fast. Thanks to the conditions of civil war, the disruption of transport, and the regime's own policies, industrial production had ground virtually to a halt, and the peasants were in revolt. A retreat to market socialism and "bourgeois" law codes could not be avoided. However, these concessions did not reverse the trend toward managerialism in state-owned enterprises, trusts, and conglomerates; the last vestiges of the revolutionary experiment in industrial democracy were liquidated.

Corresponding tendencies toward "bureaucratism" in the government machinery were now lamented by the Communist leadership. Noting in one of his last articles that "the political and social overturn has proved to be a predecessor of the cultural overturn," Lenin underscored "the task of overhauling our apparatus, which is simply good for nothing and which we have taken over in toto from an earlier era."³² Bukharin warned, "The whole economic apparatus of the proletarian state does not facilitate, but only *hinders the development of the forces of production*. . . . Iron necessity compels the proletariat to destroy such an apparatus"—something, of course, that was easier said than done.³³

Despite these worries about bureaucracy, nothing effective was undertaken to curb it. On the contrary: Lenin cast the die for unstoppable bureaucratic authority in the party organization with the measures that he proposed to the Tenth Party Congress in 1921 to tighten discipline and outlaw factional dissent. That was followed by his nomination of Stalin in 1922 as general secretary in command of the party apparatus. Lenin seemed to think that a bureaucratic party riding herd on the bureaucratic government could cure the evils of "bureaucratism." Trotsky, transformed by the power struggle into a critic of authoritarianism, documented with his complaints the takeover of the party as well as the government and the economy by the appointed nomenklatura.

Stalin's revolution from above of the late 1920s and early 1930s was a triumph of the bureaucratic principle. It imposed bureaucratic organization in agriculture, reimposed it in the trade and service sectors of the economy, and subjected

cultural life to a corresponding regimentation, to the great detriment of production and performance in all these areas, none of them organically prepared for advanced forms of managerial administration. As the bureaucratic principle was extended downward and outward, organizational advancedness was offset by social and cultural backwardness, manifested in the corruption, self-serving, slothfulness, and indifference to adversity among the populace that have distinguished Russian bureaucratic life before and after Communism as well as in the Soviet era.

The revolution from above was an uneven experience among different sectors of society and from one time period to the next. While it rested politically on the General Secretary's ever-tighter bureaucratic control of the party apparatus, in economics it initially seemed to revert to the most radical sentiments of the War Communism era, with show trials of alleged industrial saboteurs, mobilization of workers to collectivize the peasants, and campaigns against "bourgeois" intellectuals in all fields. Genuine economic planning was suppressed in favor of what the Gorbachevians later termed "command-administrative methods," in other words, a simplistic military approach to the economy, in a military spirit and with military priorities.

In 1931-32, in the face of critical difficulties with the Five-Year Plan, industrial policy changed again. Managerial authority and labor discipline were restored, and the experts were rehabilitated.³⁴ "A 'status revolution' took place," writes Moshe Lewin, "that switched the orientation of the regime from workers to officials as carriers of the state principle."³⁵ It was in the midst of this turnabout that Stalin saw fit to proclaim the victory of "socialism" and the abolition of class exploitation, an acute irony to anyone who took the classical understanding of socialism seriously. Condemning egalitarianism as "reactionary petty-bourgeois absurdity,"³⁶ he anointed the meritocracy as the "toiling intelligentsia," abolished the "party maximum" that had limited members' salaries, and terminated such symbolic gestures toward real workers as preference in university admissions and party membership. The purges were a gruesome show entailing the sudden restaffing of the whole bureaucratic system. This allowed more upward mobility for newer elements of the meritocracy, but it did not alter the accomplished fact of a hierarchical and authoritarian social structure dressed up in the language of Marxian socialism. In Karl Mannheim's terms, the utopia of inspiration had turned into the ideology of legitimation.³⁷

This was the circumstance that prompted the more farsighted Trotskyists to try to define an entirely new socioeconomic formation, neither capitalist nor socialist in the traditional understanding of the terms. Stalin in his own mind agreed. In 1939, in the aftermath of the Great Purge, he still found it necessary

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to condemn "views hostile to the Soviet intelligentsia and incompatible with the party position," that is, antiexpert attitudes that he had cultivated himself during the first phase of his revolution from above. His explanation was pure managerialism: "The remnants of the old intelligentsia were dissolved in the new, Soviet intelligentsia. . . . The old theory about the intelligentsia, which taught that it should be distrusted and combated, fully applied to the old pre-revolutionary intelligentsia, which served the landlords and capitalists. That theory is now out of date. . . . A new theory is needed for our new intelligentsia, one teaching the necessity for a cordial attitude toward it, solicitude and respect for it, and cooperation with it in the interests of the working class and the peasantry."³⁸

It has not been easy to define and classify the social system that prevailed in the Soviet Union after the revolution from above was consolidated. If ideological formulas are set aside, it is easier to say what the Stalinist system was not: It was not capitalism, and it had no entrepreneurial class, at least not legally, but it was not a workers' state in any real sense except insofar as many former workers had joined the nomenklatura. As a form of government and society, it was far removed from the expectations of prerevolutionary socialists, whatever their factional orientation. As Rudolf Hilferding wrote, "We never imagined that the political form of that 'managed economy' which was to replace capitalist production for a free market could be unrestricted absolutism."³⁹

Nevertheless, if socialism is strictly defined as any system of public control over economic enterprise, Stalinism fits its essential terms, even though it dispensed with the egalitarian and communitarian characteristics that were initially uppermost in the minds of the revolutionaries. It was a form of militarized, barracks socialism, embodying Russia's leap to managerial society, based on bureaucratic hierarchy and functional rather than economic stratification. In a highly idiosyncratic way, Stalinism combined elements of Old Russian tradition and the most advanced elements of modern industrial society in a postrevolutionary framework of state socialism legitimized and distorted by a revolutionary ideology. This was the essence of Soviet totalitarianism.

Socialism and totalitarianism are not coterminous, though the categories obviously overlap. While totalitarianism had its seeds in Lenin's political philosophy and its beginnings under his revolutionary rule, it did not come to full flower in Russia until Stalin collectivized the peasants, shackled the workers, and disciplined the intellectuals, thereby extending the hierarchical principles of the party to the whole of society. By contrast, aside from their corporate-state vocabulary, fascism and Nazism did not institute direct and comprehensive

socialist administration of the private economy. Thus the Stalinist model turned out in practice to be far more totalitarian than its counterparts on the right, bringing the development of bureaucratic society to its ultimate, and perhaps unsustainable, extreme.

The picture of the Soviet system as an extension of the managerial-bureaucratic trends already at work under capitalism naturally suggests the theory of convergence, the notion that capitalist and Communist societies were approaching a common form, even if they came from different starting points and by different routes. As early as 1926, John Maynard Keynes wrote of a "natural line of evolution" from bureaucratized capitalism to state socialism.⁴⁰ Convergence was a popular idea in the 1960s and 1970s, consistent with East-West détente, although it was indignantly rejected by the ideologists of both systems. Daniel Bell defined it as "common problems" but not "like responses."⁴¹ Convergence did not necessarily mean that the two systems were equally virtuous to begin with, or that their convergent end would incorporate the best of both worlds—it could be the worst, depending on one's point of view.

Convergence anticipated that capitalist systems would continue their evolution in the bureaucratic direction, bringing together such trends as oligopolistic concentration of enterprise, the separation of nominal property ownership and actual managerial control, the regulatory role of the state, and centralization of the formerly precapitalist sectors of the economy into chain operations. In politics and communications, convergence has expressed itself in the West in the growing dominance of highly centralized mass media, making possible the manipulation of opinion and the electoral process by financial wealth—in other words, the capitalist version of the propaganda state. Convergence toward managerialism has obviously been going on for a long time, accomplishing in the capitalist West the de facto socialization of economic activity within the shell of private property relations.

A more recent development is the extension of capitalist concentration to previously individual enterprise in agriculture, retail trade, and services, the areas that in Russia were precapitalist before the revolution and rudely yanked into the Communist regime into the postcapitalist era. For Russia, convergence entailed the social modernization of the population through urbanization, education, and industrial employment, and the achievement of high-tech industrial and scientific operations, albeit primarily for interests of state in the military-industrial complex. Until the end of the Communist era, convergence was impeded by intractable distortions in the Soviet system, including administrative overcentralization, tension between the controllers and the people who

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get things done, paranoid information controls, and stupidly military standards and methods in planning and decision making—all of which contributed disastrously to the crisis of the Communist system in the 1980s. The capitalist experience shows that the dominance of the bureaucratic elite and the manipulation of public opinion do not have to be totalitarian, and are actually more effective, as well as more accommodating to the requirements of technological innovation, if they allow a little looseness. Unacceptable critics can easily be drowned out or marginalized.

In the aftermath of the collapse of Communist rule in the Soviet Union in 1991 and the simultaneous resurgence of free-market ideology throughout the West, it might appear that convergence in the bureaucratic direction has been broken off, and that the whole historical model of postcapitalist evolution has been nullified. The notion of Russia's "transition to market democracy" implies that a different kind of convergence has set in, as Russia shifts direction in order to emulate free-market capitalism and catch up with its achievements. But such conclusions fail to consider deeply enough the ongoing underlying evolution of Western society as opposed to its formal ideology. Such an awareness might have ameliorated the crisis brought about in Russia for the second time in its history by theory-driven attempts to reverse the course of its natural development.

Russia entered the post-Communist era still suffering from bureaucratic overdevelopment and overcontrol along with lingering underdevelopment of the formerly precapitalist sectors—in other words, falling short both above and below in its progress toward convergence with Western society. The country's distorted, militarized development had endowed it on the one hand with an overgrown heavy industrial plant and a modernized, educated population and on the other hand a chronic deficiency in meeting demand for consumer goods and services, even for food. Yet post-Communist Russia chose in a doctrinaire way to ignore both the managerial trend in Western social evolution and Russia's convergence with it in favor of an illusory model of early capitalism that attempted to repudiate the country's postcapitalist features.

Until the years of perestroika and glasnost, Russian economic thinkers, experienced solely in the hyperbureaucratic Soviet system, had only the dimmest notions of Western economics. Then, beginning with the abortive "Five Hundred Days Plan" of 1990, they abruptly opted for the neoclassical free-market model as a cure-all for the late-term crisis of the militarized planned economy. Taken into the councils of state under the Yeltsin regime, the theorists of reform launched a concerted attack on Russia's postcapitalist institutions, including central planning, state ownership of enterprise, control of foreign trade and

financial transactions, and collectivized agriculture. This artificial, state-commanded attempt to re-create the economic arrangements of pure capitalism did succeed, to be sure, in liquidating the hyperbureaucratic controls and military priorities that had governed the Soviet economy following the dismantling of totalitarian rule in the political sphere between 1985 and 1991. But the reforms destroyed more than they repaired, breaking up the managerial institutions of coordination and priority setting on which, the wisdom of hindsight shows, the Soviet economy depended. No heed was paid to the legal, financial, and cultural underpinnings of a market economy, which were lacking in the bureaucratic Soviet environment. Just as the Communists had decapitated the market economy and supplanted it with hyperbureaucracy, so the post-Communist reformers answered the defects of hyperbureaucracy by decapitating it in turn, hoping that market magic would take the place of the dirigiste mechanisms holding together a complex but vulnerable monster.

Deprecating the Communist legacy of industrial plant and managerial-technical expertise, the reformers of the Yeltsin era ran into the precapitalist, Third World outlook toward the market still embedded in Russian culture. To the average Russian, commercialism meant speculation rather than production. Meanwhile, surprisingly, the reformers took no cognizance of the long organic evolution of capitalism in the West and its history of political struggles to achieve a balance between the market and social justice. Writes Harold Perkin, "The unregulated free market recommended by naive Western advisors, who seem to have no conception of how their own system works and how it depends on a self-regulating culture which they do not recognize, still less understand, is only intensifying the chaos in a country which has never known a free-enterprise system."⁴²

Post-Communist reform was a frontal assault on the most advanced, managerial features of the Russian economy, with consequences more disruptive than anything experienced since the Russian Civil War. Former prime minister Yegor Gaidar implied this parallel when he justified the post-1991 collapse in class-struggle terms, much as Bukharin had in his time—for Bukharin to destroy the bourgeoisie, for Gaidar to restore it.⁴³ In practice, much of the administrative nomenklatura succeeded in transforming themselves into a kind of parasitic class of speculators and robber barons, who simply shifted from command of the socialist bureaucracy to exploitation of postsocialist chaos. "Former top Communist leaders who take on a new role are somewhat really skillful at transforming themselves," wrote an *Izvestia* staffer in 1992. Lower members of the nomenklatura have simply sat in place and as their bureaucratic ranks grow larger than ever.

The formerly precapitalist sectors have not fared well in the dismantling of the militarized planned economy. To be sure, trade and services catering to the affluent minority have flourished in a few urban centers, giving the surface illusion of prosperity, though the goods in question are mainly imports paid for by energy and raw material exports. Commercial agriculture and native consumer goods manufacturing, far from making up the deficiencies of the Soviet era, declined precipitously in the face of inflation and the flood of imports made possible by untimely liberalization of the economy. All in all, the post-Communist economy is the chaotic outcome of political decisions encouraged by ideology—or in this case, an anti-ideology—but with little or no analytical understanding of the circumstances or the consequences of these so-called reforms.

Russia's self-inflicted retrogression has been represented in most Western appraisals as an expression of a universal process, natural and virtually inevitable, the "transition to market democracy." From what kind of system this transition is presumably occurring is not so clearly analyzed; often it is pigeonholed with the development of precapitalist societies toward the supposed Western model. "The East has become the South," asserts Adam Przeworski.⁴⁵ The actual Soviet heritage is not the Third World but the Second World of distorted bureaucratic industrialism. This, and the evolving Western social structure toward which the Soviet system had been converging, are both implicitly denied. This thinking has become a self-fulfilling prophecy, as Russia watches its most advanced social and economic structures disintegrate and does indeed sink down to the level of a Third World land.

36. Joseph Stalin, Report on the Work of the Central Committee, to the Seventeenth Congress of the CPSU(B) [Jan. 1934], in *Problems of Leninism* (Moscow: Foreign Languages Publishing House, 1953), 634.
37. See Karl Mannheim, *Ideology and Utopia: An Introduction to the Sociology of Knowledge* (1929; New York: Harcourt Brace, 1936).
38. Joseph Stalin, Report on the Work of the Central Committee, to the Eighteenth Congress of the CPSU(B) [Mar. 1939], in *Problems of Leninism*, 797–800.
39. Rudolf Hilferding, "State Capitalism or Totalitarian State Economy" [1940], *Modern Review*, June 1947, 270.
40. J. M. Keynes, "The End of Laissez-Faire," quoted in Edward S. Herman, *Corporate Control, Corporate Power* (Cambridge: Cambridge University Press, 1981), 9.
41. Bell, *The Coming of Post-industrial Society*, 112.
42. Perkin, *Third Revolution*, 145.
43. See Robert V. Daniels, "The Riddle of Russian Reform: Is Yeltsin a 'Bolshevik in Reverse'?" *Dissent* (Fall 1993): 492–93; N. I. Bukharin, *Oekonomik der Transformationsperiode* (Hamburg: Hoym, 1922), 55–56.
44. Albert Plutnik, "Comrade First Secretaries in the Role of Messrs. President" [in Russian], *Izvestiya*, 6 Dec. 1996.
45. Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America* (Cambridge: Cambridge University Press, 1991), 101. See also Philippe C. Schmitter with Terry Lynn Karl, "The Conceptual Travels of Transitologists and Consolidologists: How Far to the East Should They Go?" *Slavic Review*, Spr. 1994.

Chapter 13. Socialist Alternatives in the Crisis of 1921

This chapter is based on a paper, "Socialist Alternatives in the Trade Union Controversy," presented at the international conference "Russia in the Twentieth Century," Moscow, USSR Academy of Sciences, Apr. 1990, and published in Russian translation in the proceedings of the conference, *Rossiya v XX veke: Istoriki mira sporyat* [Russia in the Twentieth Century: The World's Historians Debate] (Moscow: Nauka, 1994).

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2. See, e.g., Isaac Deutscher, *Stalin: A Political Biography* (New York and London: Oxford University Press, 1949), 222–23.
3. See Robert C. Williams, *The Other Bolsheviks: Lenin and his Critics, 1904–1914* (Bloomington: Indiana University Press, 1984), 85–93.
4. See, e.g., Lev Kritsman, *Geroicheskii period russkoi revoliutsii* (Moscow and Leningrad: State Press, 1926).
5. *Ninth Congress of the Russian Communist Party (Bolsheviks): Minutes* [in Russian] (Moscow: Marx-Engels-Lenin Institute, 1934), 100.
6. Leon Trotsky, *Terrorizm i kommunizm* (Moscow: State Press, 1920), translated as *Dictatorship vs. Democracy: A Reply to Karl Kautsky* (New York: Workers' Party of America, 1922), 143.
7. *Second All-Russian Congress of Trade Unions, Stenographic Report* [in Russian] (Moscow: Central Trade Union Press, 1910), 1107; N. I. Bukharin, *Oekonomik der Transformationsperiode*

- (Hamburg: Hoym, 1922), 86; Platform, "On the Tasks and Structure of the Trade Unions" [in Russian], in *Tenth Congress of the Russian Communist Party: Minutes* [in Russian] (Moscow: Marx-Engels-Lenin Institute, 1933), app. 16, p. 802.
8. Leon Trotsky, "The Trade Unions and Their Future Role" [in Russian], in *Tenth Party Congress*, app. 10, p. 786.
9. Program of the Russian Communist Party (of Bolsheviks) [in Russian], in *KPSS v rezoliutsiyakh i resheniyakh s'ezdov, konferentsii, i plenumov TsK*, 7th ed. (Moscow: State Political Press, 1954), 11422.
10. *Vsesoyuznaya Kommunisticheskaya Partiya (bol'shevikov) v rezoliutsiyakh s'ezdov, konferentsii i plenumov TsK* (Moscow: Party Press, 1931), vol. 1, app., p. 813.
11. *Ninth Party Congress*, 564n32, 123–24.
12. Alexandra Kollontai, *The Workers' Opposition* (Chicago: IWW, 1921), 9.
13. *Ninth Party Congress*, 44.
14. Resolution of the Ninth Party Conference, "On the Next Tasks of Party Construction" [in Russian], in *KPSS v rezoliutsiyakh*, 1:507–12.
15. *Tenth Party Congress*, 371–72.
16. Resolution of the Tenth Party Congress, "On the Syndicalist and Anarchist Deviation in Our Party" [in Russian], in *KPSS v rezoliutsiyakh*, 1:531.
17. Lenin to the Organizations of the RCP(B) on the Question of the Agenda of the Party Congress [2 Mar. 1920; in Russian], in *Ninth Party Congress*, app. 2, p. 473.
18. Resolution of the Ninth Party Congress, "On the Question of the Trade Unions and Their Organization" [in Russian], in *KPSS v rezoliutsiyakh*, 1:493.
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20. *Tenth Party Congress*, 825n1.
21. V. I. Lenin, "On the Trade Unions, the Current Situation, and the Mistakes of Comrade Trotsky" [in Russian], in *Sochineniya*, 3rd ed. (Moscow: Marx-Engels-Lenin Institute, 1928–37), 26:67.
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26. *Ibid.*, 169–70.
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28. *Ibid.*, 143.
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30. Kollontai, *The Workers' Opposition*, 4, 15, 17.

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