

Yuri Popov

Essays in Political Economy

Socialism and the Socialist Orientation

Guides to the Social Sciences

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Progress Guides to the Social Sciences

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in Political
Economy**

**Socialism
and the Socialist
Orientation**



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Translated from the Russian by *Yuri Sdobnikov*

Ю. Н. Попов

Очерки политической экономии

**СОЦИАЛИЗМ И ПРОБЛЕМЫ СОЦИАЛИСТИЧЕСКОЙ
ОРИЕНТАЦИИ**

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Part One

WHAT IS SOCIALISM AS A SOCIO-ECONOMIC SYSTEM?

Chapter One

FROM UTOPIAN SOCIALISM TO EXISTING SOCIALISM

1. FROM UTOPIA TO SCIENCE

Utopian Socialism

Throughout the ages, human beings have had visions of a fairer and better life for mankind as a whole, and these are reflected in many lays and legends, and even in fairy-tales. Virtually every religious text, like the Bible, the Talmud and the Koran, speaks of the idea of justice.

In the course of history, many men sharply criticised the social system under which they lived and proposed projects for a fairer and more humane social system. Writers in Ancient Greece and Rome, medieval "heretics" and the programmes of some peasant uprisings in the epoch of feudalism condemned private property and extolled common property, which was a natural reaction to the inequality and man's exploitation of man in the antagonistic society.

However, these visions of social justice can hardly be called socialist ideas. More or less elaborate systems of socialist views were making their appearance with the development of capitalism between the 16th and the 18th century. These are known as "utopian socialism", among whose founders was the Englishman Thomas More (1478-1535), a great humanist of the Renaissance. He wrote the story of an imaginary island called Utopia where a fair society had been created. "Utopia" (meaning a place which is not) is a term which comes from the Greek and which has been used since then to describe an imaginary and unfeasible social system.

Thomas More was the first to give a full-scale critique of the

system based on private property, and he also attempted to describe a new social system based on public property. He was the first to set forth consistently the idea of a socialised production involving the socialist organisation of labour and distribution. In Utopia, that ideal free state, men work and live in equality; there is no distinction between town and country, or between mental and manual labour; men work six hours a day and devote the rest to science and the arts.

The idea of utopian socialism was taken a step further by a French count, Claude Henri Saint-Simon (1760-1825), who showed that the establishment of a new social system was a historical necessity and a natural outcome of earlier historical development. Saint-Simon depicted the society of the future as a system based on scientifically planned large-scale industry, but with private property and classes. In that society, science and industry were to play the dominant role. Saint-Simon had some highly interesting suppositions about industrial planning which, he believed, was to be effected for the benefit of the majority of the members of the society, especially its poorest part.

Another Frenchman, Charles Fourier (1772-1837) was the next famous advocate of utopian socialism. He gave a profound and vivid critique of the bourgeois society and showed the gap between the ideas of the French bourgeois revolution and the reality it had created. Fourier believed that what he called the phalange, made up of several production series, would be the basic cell of the future society; each member of the phalange had the right to work; it did away with the narrow professionalism that tended to cripple man, so that in the course of the day every member of the phalange would move from one type of work to another again and again, giving no more than 1.5-2 hours to each; this would make labour a human want and a pleasure. In this way the society would ultimately attain a high level of labour productivity and a cornucopia of material goods, which were to be distributed in accordance with the individual's labour and abilities.

The Englishman Robert Owen (1771-1858) is one of the most prominent utopian socialists. He looked to a "new moral world" ruled by the principles of common ownership and labour, a blend of mental and manual labour, the all-round development of the individual, equality of rights, etc. He believed

that the future classless society would be a free federation of self-governing communities, each consisting of between 300 and 2,000 men.

The utopian socialists did a great deal to develop world-wide socialist thinking in the course of history, but it is highly indicative that in their descriptions of the future society most of them did not use the term "socialism". It was first used in 1834 in an article in the French journal *Le Globe* by Pierre Henri Leroux, a dedicated follower of Saint-Simon. It was entitled "On Individualism and Socialism", so that in a sense "socialism" was contrasted to the individualism which had been so hypertrophied under capitalism.

However, the fact that the utopians did not use the term "socialism" was not as important as the fact that none of the utopian socialists had succeeded in taking a materialist and truly scientific view of history and identifying the motive forces for transforming the society on socialist lines. The utopian socialists failed to see the actual ways in which the capitalist social relations could be transformed; they repudiated revolution and naively believed that the existing order could be changed through the spread of socialist ideas. According to Lenin, "early socialism . . . was *utopian* socialism. It criticised capitalist society, it condemned and damned it, it dreamed of its destruction, it had visions of a better order and endeavoured to convince the rich of the immorality of exploitation.

"But utopian socialism could not indicate the real solution. It could not explain the real nature of wage-slavery under capitalism, it could not reveal the laws of capitalist development, or show what *social force* is capable of becoming the creator of a new society."¹

The Development of the Theory of Scientific Socialism

The emergence of Marxism in the mid-19th century marked a revolution in the science of human social development, for it gave a consistently materialist view both of nature and society.

¹ V. I. Lenin, "The Three Sources and Three Component Parts of Marxism", *Collected Works*, Vol. 19, Progress Publishers, Moscow, 1977, p. 27.

Marx saw social development as a natural historical process, and showed that the relations of production determined all the other social relations, being the actual basis of every given society with its corresponding political and juridical superstructures and diverse trends in social thought. Every system of production relations emerged at a definite stage in the development of the productive forces and is subject both to laws which were common to all the formations and which were specific to each. These laws govern the origination, functioning and transition of each formation to a higher one. Marx discovered that the historical social process was determined by its material basis, and that, for its part, the superstructure exerted a reciprocal and active influence on the basis.

None of the pre-Marxian social theories could explain the underlying causes of the ideas which motivated human activity, and it was Marx who first gave the scientific explanation of how the basis and the superstructure interacted. While giving Marx the greatest credit for his brilliant elaboration of many difficult philosophical and economic problems, Engels emphasised two of his discoveries: 1) the materialist view of history, and 2) the theory of surplus-value. These two discoveries were great because "with these discoveries socialism became a science," Engels said, and "the next thing was to work out all its details and relations."²

Engels explains that socialism is nothing but the reflex in thought of the conflict between the growth of the productive forces and the capitalist relations of production fettering their development.³ That is precisely the conflict and the antithesis between the bourgeoisie and the proletariat that generated socialist ideas. These were ideally reflected above all in the consciousness of the working class, which has to suffer directly and more than the others from the domination of private capitalist property as it is subjected to ever more refined exploitation. That is why this most advanced and most organised, revolutionary class has the historical mission of executing the sentence passed

² F. Engels, "Socialism: Utopian and Scientific" in Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 3, Progress Publishers, Moscow, 1973, p. 133.

³ See F. Engels, *Anti-Dühring*, Progress Publishers, Moscow, 1975, p. 317.

on private property and on wage-labour, which produces the "wealth of others and poverty for itself."⁴ As the working class throws off the shackles and burden of exploitation, it destroys all the inhuman conditions of life in the capitalist society. Such is the historical recognition of the role and importance of the modern proletariat. Lenin says that "the chief thing in the doctrine of Marx is that it brings out the historic role of the proletariat as the builder of a socialist society."⁵

Marx and Engels discovered the cause and basis of the proletarian, socialist revolution within the contradiction between the productive forces of capitalism and the relations of production among men in the capitalist society. Marx never saw the proletariat's socialist revolution as an end in itself, but always as a means for transforming the society on new lines ruling out man's exploitation of man.

Marx's main and most important work is his *Capital*, in which the economic theory of Marxism has been most profoundly and comprehensively elaborated. It also contains a wealth of material for the theoretical substantiation of scientific socialism. Among the other important works contributing to the development and formation of the theory of scientific socialism are the *Critique of the Gotha Programme* by Marx and the *Outlines of a Critique of Political Economy* by Engels. These works marked the first step in working out theoretical problems of the economy of the socialist society.

Marx and Engels on the Basic Features of Socialism

The Founders of Marxism established the definitive features of the new socialist society on the strength of the objective trends in the development of large-scale industrial capitalist production. Their deep analysis of the capitalist mode of production and its contradictions enabled them to show the substance of socialism and to elaborate the theory of the development of the socialist society in general terms.

⁴ K. Marx and F. Engels, "The Holy Family" in Karl Marx and Frederick Engels, *Collected Works*, Vol. 4, Progress Publishers, Moscow, 1975, p. 36.

⁵ V. I. Lenin, "The Historical Destiny of the Doctrine of Karl Marx", *Collected Works*, Vol. 18, p. 582.

What then are the most characteristic features of socialism as the founders of Marxism indicate in their works?

They believed that man's exploitation of man could be eliminated and social justice established, first and foremost, by turning the means of production into the property of the whole society.

They held that in the socialist society production should be geared to raising the well-being of the working masses and the individual's all-round development.

In the socialist society, the character of labour should become fundamentally different from that under capitalism.

The socialist economy should develop in a balanced manner, instead of spontaneously.

Under socialism the appropriation of the aggregate social product should be collective.

That part of the product which is required for the replacement of the used-up means of production, for the expansion of production and for building up a reserve, or insurance, fund should remain social property and should not be subject to individual distribution.

They also assumed that the administrative costs incidental to the establishment of social funds earmarked for the joint satisfaction of requirements (education, public health, public utilities and everyday services, etc.), the maintenance of citizens who are unable to work, and so on, should come out of that part of the product which went to meet the needs of consumption.

The socialist society should have distribution according to labour depending on its quality and quantity.

In individual distribution, a definite quantity of the labour of one member of the socialist society should be exchanged for an equal quantity of the labour of another.

Finally, the socialist society would still have material inequality among its members owing to the differing abilities of individuals, their different skill standards, labour productivity, and so on.

These propositions formulated by the founders of Marxism are of great scientific importance, for these general and most characteristic features of socialism show the substance of the socialist society and its economic system.

The founders of Marxism adopted and reworked all the best

ideas available in earlier economic science, but the Marxist theory is a coherent and integral doctrine, without being in any way utopian. It is a doctrine which is being constantly concretised and enriched with new propositions, that is to say, it is being creatively developed.

Lenin, the Founder of the Political Economy of Socialism

Lenin opened up a new stage in the development of Marxism, in general, and of the Marxist political economy, in particular. With his study and creative summing-up of new historical experience, he developed and enriched the general theory of political economy, worked out the doctrine of monopoly capitalism (imperialism), exposed its economic substance and showed its main features. He analysed the operation of the law of uneven economic and political development of the capitalist countries in the epoch of imperialism and went on to draw the conclusion that socialism could initially win out in a few countries, or even in one country. The result was his elaboration of the Marxist theory of the socialist revolution in the context of the new historical epoch.

Guided by the ideological and theoretical legacy of Marx and Engels, Lenin worked out the fundamentals of the political economy of socialism and set forth the economic policy of the Marxist party and the proletarian state. He produced a coherent theory of the period of transition from capitalism to socialism, the ways of building a socialist society, socialist industrialisation, and the restructuring of agriculture on socialist lines through the cooperation of peasant farms for the purposes of production.

His works contain an analysis of the cardinal problems of the political economy of socialism: the doctrine of socialist property, its substance and forms; the content of balanced economic development and the scientific principles of planning; the economic role of the socialist state; the use in socialist construction of commodity-money relations and a material stake for the working people in the results of production. Lenin formulated the fundamental propositions concerning the stages through which socialism has to pass. One of his greatest contributions to the economic theory of Marxism is his discovery of the coming grad-

ual formation of the world socialist system, its growing influence on the whole of world development, and the possibility of different ways and forms of transition to socialism by different countries, including transition to socialism, by-passing the stage of capitalism.

2. EXISTING SOCIALISM AND THE STAGES OF ITS ECONOMIC MATURITY

The notions of a socialist society have developed from a utopia to scientific socialism. When the conditions have ripened for translating the theory of scientific socialism into life and for realising the socialist ideals, theory is embodied in concrete reality, marking the beginning of the history of existing socialism itself. This turning point in the history of the human society was effected by the Great October Socialist Revolution, which the proletariat of Russia carried out in 1917.

The practical development of socialism shows that in its evolution the new society has to pass through a number of consecutive stages.

The Period of Transition from Capitalism to Socialism

The viability of the theoretical principles formulated by the founders of Marxism was demonstrated by the very first advances in building socialism. In one of his works, Lenin wrote about a whole period of transition from capitalism to socialism and recalled that the founders of socialism had spoken of the "prolonged birth-pangs" of the new society.⁶

Socialism cannot spring ready-made from the entrails of capitalism. It would be naive to assume that the day after the socialist revolution triumphs, all the basic features of socialism described above will suddenly appear.

The transition from the old society to the new inevitably entails a definite historical stage in which the fundamentally new

⁶ See V. I. Lenin, " 'Left-Wing' Childishness and the Petty-Bourgeois Mentality", *Collected Works*, Vol. 27, pp. 341-342.

society takes shape, i.e., a stage which is known as the *period of transition from capitalism to socialism*.⁷

Very difficult tasks face the working class and the other working people carrying out a socialist revolution. Back in 1920, Lenin said: "The most difficult task in the sharp turns and changes of social life is that of taking due account of the peculiar features of each transition. How socialists should fight within a capitalist society is not a difficult problem and has long since been settled. Nor is it difficult to visualise advanced socialist society. This problem has also been settled. But the most difficult task of all is how, in practice, to effect the transition from the old customary, familiar capitalism to the new socialism, as yet unborn and without any firm foundations. At best, this transition will take many years, in the course of which our policy will be divided into a number of even smaller stages. And the whole difficulty of the task which falls to our lot, the whole difficulty of politics and the art of politics, lies in the ability to take into account the specific tasks of each of these transitions."⁸

What Lenin said in that report is of exceptional importance, for it shows that the Marxists had developed a fairly full and scientific conception of socialism even before the socialist revolution. But it was much more difficult to give a realistic formulation of the concrete tasks, ways and forms of transition to socialism. The concrete problems of the transition to socialism could not be theoretically solved before the victory of the socialist revolution, for only the beginning of the evolution of the new socio-economic formation, i.e., the practical building of settled socialism made it possible to develop theoretically the conceptions of the various stages of the socialist society, in general, and of the period of transition from capitalism to socialism, in particular.

The period of transition from capitalism to socialism is characterised by the existence of many structures in the economy. The socialist economic forms are just beginning to take shape,

⁷ Below is no more than a very general picture of the transition period, with its socio-economic aspects given in greater detail in Part Two.

⁸ V. I. Lenin, "Report on the Work of the All-Russia Central Executive Committee and the Council of People's Commissars Delivered at the First Session of the All-Russia Central Executive Committee, Seventh Convocation, February 2, 1920", *Collected Works*, Vol. 30, pp. 330-331.

while capitalism continues to exist in the form of the private capitalist sector. At the beginning of the transition period, the socialist sector of the economy is relatively weak, and the socialist orientation in the evolution of the society is initially determined primarily and mainly by the political power of the working class exercising its class dictatorship in alliance with other contingents of working people. Within the country there is a struggle between the bourgeoisie and the proletariat to decide the issue of "who beats whom". Now and again, the class struggle assumes acute forms, such as economic sabotage by the local bourgeoisie and bourgeois specialists, and counter-revolutionary rebellions hand in hand with attempts to mount an economic and political blockade by the imperialist powers.

Consequently, in the transition period the possibility of capitalism being restored by the forces of counter-revolution within the country and abroad is frequently a very sharp issue.

Let us also bear in mind that, as a rule, the restructuring of the economy on socialist lines is carried on in a difficult situation: there are still a lack of experience in economic administration and management and a shortage of skilled personnel loyal to the revolution. Economic planning is just being started. Many sectors of the economy are under the influence of spontaneous factors of development. Sizable unemployment, a legacy of the old society, very frequently continues to exist. In these conditions, the working people consciously have to make some material sacrifices and suffer privation, and this has a marked effect on their overall living standards.

In that same period, there is also a re-orientation of international economic relations. A country taking the way of socialist construction has to rid itself of economic dependence on foreign capital and to establish itself as an equal partner in the international division of labour. Despite all these difficulties, the transition period is an integral part of the shaping of socialism, i.e., the first stage in the shaping of the new socio-economic formation.

The material and technical basis of socialism is created in the transition period on the basis of the socialised large-scale machine production in every sector of the national economy. The extensive use of electric power, scientific and technical achievements, and the balanced organisation of production on the scale

of the whole country are designed for the ever fuller satisfaction of the working people's material and spiritual requirements.

The outcome of the transition period is the elimination of the multiple economic structures and assertion of the complete domination of socialist relations of production. The contradiction between burgeoning socialism and moribund capitalism is resolved in favour of socialism, thereby liquidating man's exploitation of man and its causes.

There is also a substantial change in the class structure of the society. Another outcome of the transition period is that two friendly classes—the class of workers and the class of peasants and the intelligentsia closely allied with them—remain in the socialist society.

In the period of transition from capitalism to socialism unemployment is eliminated and the problem of full employment is solved on the basis of social property in the means of production, as the country is industrialised and peasant farms cooperated. The fast and steady growth of socialist production makes it possible to increase the working people's real incomes considerably.

The transition period ends with the building of a socialist society in which the foundations of socialism have been laid.

The Early Stage of Socialism

At the early stage of socialism, which follows directly upon the transition period and the laying of the foundations of socialism, the society's socialist relations of production attain a new stage of maturity, under which socialism has already been built, but only in its main lines.

That means that the rudiments of the material and technical basis of socialism have only just been created, and that the productive forces still have to be considerably developed so that the new tasks of the socialist society can be fulfilled.

One should also take into account that the capitalist relations of exploitation and antagonism between the classes are finally liquidated only towards the end of the transition period. The new socialist relations still have to be consolidated. The first thing that needs to be done is to raise the socialisation of production to a higher level.

Even at that early stage, the new system demonstrates its superiority over capitalism in the given country by providing a higher level of labour productivity as compared with that of the pre-revolutionary period. A new social structure takes shape, consisting of friendly, socialist classes, strata and groups of working people, while the state of the proletarian dictatorship gradually evolves into a socialist state of the whole people.

At that stage, the bourgeoisie as an organised force, as a class, no longer exists in the socialist society. Most of the petty-commodity producers also tend to change their social nature. But practice shows that following the disappearance of the exploiter classes and social groups, the new social relations have still to be fully consolidated over a fairly long period. This makes itself felt in the existence of pre-socialist forms of labour, in some areas of law, and especially in the survivals of the petty-proprietary views and mores which are manifested among a fairly large number of citizens, especially those coming from the propertied classes. This means that some conditions for the penetration of the bourgeoisie's ideological influence and its impact on the attitudes and patterns of the internal forces still remain within the socialist countries.

The record of existing socialism fully vindicates the Marxist-Leninist idea that socialism is a constantly developing social organism. The socialist society "is not anything immutable," Engels said. "Like all other social formations, it should be conceived in a state of constant flux and change."⁹ Lenin also conceived the new society as dynamic and developing in every way.¹⁰

Mature, or Developed, Socialism

During its evolution the socialist society constantly perfects its productive forces and socialist relations of production, so as to raise socialism to a new stage which is known as the mature, or developed, socialist society.

Developed socialism is a stage of the new society's maturity

⁹ Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 3, p. 485.

¹⁰ See V. I. Lenin, "The State and Revolution", *Collected Works*, Vol. 25, p. 472.

at which the whole spectrum of social relations is restructured on the collective principles which are inherent in socialism. The further development of the productive forces is the basic prerequisite for transition to the stage of the mature socialist society on the basis of socialism which has already triumphed.

The more efficient use of the productive forces is made possible by the progressive nature of the socialist relations of production. As the country moves into the stage of developed socialism, there is first of all a growth in the scale of social production itself, but it is not only the quantitative aspect of production under developed socialism that is important. When analysing this new stage in the maturity of socialism, special attention needs to be given to the qualitatively new aspects of the state of the productive forces and their level of development.

It is within the historical framework of this stage of the maturity of socialism that material, technical and social conditions are steadily created for providing qualitative changes in science and technology and boosting labour productivity to a high level. Science is increasingly turned into a productive force in its own right, exerting a direct influence on the development of new instruments and objects of labour, new production techniques and forms of organisation, and helping to shape the workers in production and improve their skills. Developed socialism has a powerful scientific and technical potential which enables it to set and fulfil gigantic tasks in accelerating scientific and technical progress and transforming production facilities on a new scientific and technical basis.

Essential *changes in the socialist relations of production* result from the further development of the productive forces and their qualitatively new state and level.

The scientific and technical revolution intensifies the concentration of production and further enhances the *social character of production*.

The multifaceted international experience in socialist construction over a long period has shown that it is wrong to reduce all the problems of socialisation to acts of mere nationalisation or confiscation of the means of production from the bourgeoisie. The socialisation of the means of production in practice entails the building-up, in every sector of the national economy, of modern industrial and scientific facilities organised on the same

principles and assured of a large body of well-trained personnel and scientific management.

At the initial stages of socialist construction, socialist forms of property in the national economy are widespread; at the stage of developed socialism, socialist property reigns supreme throughout the national economy: an integral national-economic complex functions on the scale of the whole country. The growing social character of production is evidenced in industry by the establishment of large-scale combines, production, and science-and-production associations. All the branches of agriculture are gradually switched to industrial techniques, and large-scale agro-industrial associations emerge. Cooperative property acquires the essential features of the whole people's property. As production is further socialised, the level of planned economic organisation is raised and a harmonious sectoral structure created.

At the stage of developed socialism, the socialisation of labour is paralleled by processes which cause marked changes in a broad spectrum of social relations, and so also in *the way of life*. The whole system of social relations—economic, organisational, administrative and managerial, social and political, juridical, ethical, ideological, etc.—is knit into an integral whole, so that all the elements of the society's way of life are essentially restructured on its inherent collective principles.

The World Socialist System

The formation of what is actually existing socialism abounds in dramatic events. The class of exploiters, which is forced to leave the historical arena, refuses to concede defeat. After the Great October Socialist Revolution, Russia's bourgeoisie started a civil war, while world imperialism mounted a 14-nation campaign against the fledgling workers' and peasants' Republic, and then ringed it in an economic blockade. In 1941, Hitler Germany, incited by world imperialism, fell on the Soviet Union in an effort to wipe out the world's first socialist state. Socialism did not merely withstand the onslaught and survive, but enhanced its influence in the world, which continues to grow.

After the Second World War, a group of countries in Eastern and Southeastern Europe fell away from capitalism. The socialist revolution triumphed in a number of Asian countries, and the

first socialist state in the Western hemisphere was set up in Cuba in the 1960s. In the late 1970s, Laos joined the family of socialist countries. As a result, the history of existing socialism is no longer confined to that of a single state—the Soviet Union, which at first had to live in a capitalist encirclement—but is the history of a community of many countries now constituting *the world socialist system*.

The history of existing socialism has borne out Lenin's scientific prediction: he said that the operation of the law of the uneven economic and political development of capitalism at the stage of imperialism causes the socialist revolution in the individual countries to occur at different times, as the imperialist contradictions concentrate and sharpen. That is why a fairly long period of coexistence between socialism, which has triumphed in a number of countries, and capitalism, which continues to rule various others, is inevitable.

A study and summing-up of experience in socialist construction in the individual countries helps to bring out the general uniformities in accordance with which socialism is developed and strengthened, uniformities which are common to all the socialist countries. That is a necessary condition for the further development of the theory and practice of Marxism-Leninism.

Long experience shows that socialist construction in the individual countries implies joint action and cooperation with other fraternal states. The history of existing socialism is not only one of socialist construction in the individual countries, but also of the emergence and consolidation of a world socialist system.

The world socialist system, like the world capitalist system, cannot be viewed only from the standpoint of their geographical or territorial spread, or simply as an arithmetical sum total or mere aggregation of the states within them.

The formation of the world socialist system means that the socialist relations of production have gone beyond the national-state framework, i.e., that they have moved into the sphere of international relations, which are governed by their own uniformities of development, and that is important for an understanding of the significance of contemporary existing socialism. That is why *international socialist relations of production* taking

shape within the world socialist economic system are also a part of the subject-matter of the political economy of socialism.

The formation of the new world social system is a multifaceted process and its improvement calls for great efforts.

Despite the brief historical period in which the socialist system has existed, its formation has gone through a number of specific stages.

The first of these was the victory of the October Revolution in Russia, which paved the way for the triumph of socialism in the USSR, and then of the people's revolution in Mongolia.

Following the rout of German fascism and Japanese militarism, socialist revolutions took place in a number of countries in Europe and Asia, and then in Cuba. The triumph of socialist revolutions in the people's democracies inaugurated the formation of the socialist system as a community of many sovereign states, a historical milestone which ranks next after the October Revolution and the triumph of socialism in the USSR.

Consequently, solid historical prerequisites for the formation and development of the world socialist system were created between 1917 and 1945.

The following stage (the latter half of the 1940s) could be designated as the beginning of the formation of the world socialist system. The main feature of that stage was that the emergence of the world socialist system was predetermined by the socialist revolutions which took place in a number of European and Asian countries. The establishment in 1949 and the functioning of the first and largest socialist-type international organisation—the Council for Mutual Economic Assistance (CMEA)—was a milestone in its history. The 1950s were marked, on the one hand, by the formation of the world socialist community as a new type of inter-state alliance based on the principles of proletarian, socialist internationalism, and on the other, by the completion of the transition period and the laying of the foundations of socialism in most of the fraternal countries. At that stage, the CMEA countries consolidated their multilateral economic cooperation and began, for the first time in history, to shape their international socialist division of labour. The liquidation of the exploiter classes within all the fraternal countries and the establishment of new forms of inter-state relations inherent in socialism were the main outcome of the new stage.

At the same time, the 1950s were a difficult period from the standpoint of the fight against international imperialism. The Democratic People's Republic of Korea safeguarded its independence in the ordeal of war with the help of its friends; the heroic people of Vietnam scored its victory over the French colonialists; and the attempt to stage an armed counter-revolutionary coup in Hungary was frustrated. The young socialist world not only succeeded in standing up for its right to exist, but also expanded its international influence. This stage was crowned with the triumphant Cuban revolution, which ushered in the era of socialism on the American continent.

In the 1960s, life in the socialist world was characterised by the socio-economic and political development of the European socialist countries on the basis of the socialist sector, which had triumphed in the economy, the cultural revolution proceeding on the basis of Marxism-Leninism, the system of bilateral and multilateral international socialist division of labour which had taken shape, and the CMEA countries' collective line of developing their socialist economic integration. The 1960s were also a period of grave trials in which the strength of the socialist world was put to the test. Apart from intrigues by imperialism, which in that period resorted to the alternative tactics of gross pressure and "bridge-building", right and "left" revisionists became active in a number of socialist countries. The 1960s was a period in which direct aggressive actions were mounted by the United States against Cuba and then against Vietnam. There was also the imperialist-inspired and supported attempt to stage a counter-revolution in Czechoslovakia.

The world socialist community successfully passed all these tests and was consolidated economically and politically, and the prerequisites were created for advancing to the present stage in the development of the world socialist system.

The Development of the Socialist Community: the Present Stage

The world community of socialist countries became even stronger in the 1970s and in the first half of the 1980s. Each country taking the socialist way has tackled the problems of socialist statehood, development of socialist industry, cooperation of the

peasantry, and ideological education of the popular masses in the light of the peculiarities of its own historical development. At the same time, the socialist countries' growing economic and political community—most visually expressed in the development of the CMEA countries—is a characteristic uniformity governing the development of the world socialist system.

The CMEA now consists of 10 socialist states in Europe, Asia and America, with a population of over 450 million. They are: Bulgaria, Cuba, Czechoslovakia, GDR, Hungary, Mongolia, Poland, Romania, USSR and Vietnam. These countries have accumulated vast experience in cooperation in every sphere. Their relations are based on respect for state sovereignty, independence, consideration of national interests, non-interference in domestic affairs, complete equality, mutual advantage and comradely mutual assistance.

The CMEA countries are well ahead of the developed capitalist countries in the basic indicators of economic growth. Thus, from 1971 to 1983, the average annual increment of their national income was 4.6 per cent, and of industrial production 5.6 per cent, while the figures for the EEC countries were 2.2 and 1.5 per cent. Owing to such economic growth rates, the volume of industrial production in the socialist community doubled, whereas in the developed capitalist countries it increased by just over one-third.

The CMEA countries have 19 per cent of the world's territory and 10 per cent of its population, and they account for roughly one-third of the world's industrial production. The socialist community is the most dynamic economic force on the planet.

The economic integration of the world socialist economic system is proceeding apace, with the material basis provided by the internationalisation of economic life, i.e., the extension and deepening of economic inter-relations between the socialist states as production is increasingly socialised. The social basis of integration is the similar-type socio-economic and political system in each country and the common interests and objectives of the peoples of the socialist countries.

The CMEA countries' cooperation and socialist economic integration are developed on the basis of their 1971 Comprehensive Programme, which provides for the use of the most efficient methods and forms of economic cooperation, joint development

of natural resources for the common benefit, construction of large-scale industrial complexes to meet the needs of all the participants, and cooperation projected over a period of many years between enterprises and whole industries in the socialist countries. The fulfilment of the Comprehensive Programme is designed to improve the international socialist division of labour, to intensify social production, to accelerate the application of scientific and technological achievements, to deepen the countries' economic co-ordination and to make their national economies more complementary to each other.

The steady improvement of the economic mechanism of the integration process is highly important. *The CMEA countries' joint planning activity* is the main method of their cooperation and deepening of their international socialist division of labour. Regular consultations on the main aspects of economic policy are held and national-economic plans are coordinated. The CMEA countries have concerted a plan for multilateral integration measures for the 1976-1980 period, and then also for the 1981-1985 period and up to the year 1990.

Specialisation and cooperation of production are being successfully effected by the CMEA countries in their international socialist division of labour. More than 100 multilateral and almost 1,000 bilateral agreements have been coordinated. There are nearly 80 multilateral agreements on specialisation and cooperation of production, involving over 8,000 items in engineering alone.

The CMEA countries have been working successfully to realise the measures provided by the Comprehensive Programme for scientific and technical cooperation. It involves more than 3,000 research and development collectives and higher schools, including about 200 academy-of-sciences institutions. They have set up 56 coordinating centres for the key lines of scientific and technical development. Through their common efforts, they have completed over 14,000 theoretical and applied projects, many of which have yielded a great economic effect. Their cooperation in science and technology ever more explicitly involves an advance from individual to complex problems.

The socialist countries' economic integration is an intricate process involving difficulties which spring above all from the novelty of what they are doing and the vast scale of their joint

projects. Their efforts to enhance the efficiency of their ties, to make correct computations of their needs not only for the current period, but also for the long term, and to improve the coordination of their actions are highly important. The elaboration and fulfilment of long-term programmes for specialisation and cooperation of production call for much efficiency.

The socialist countries' socio-economic development in the 1970s and early 1980s had to face many difficulties. In some years, for instance, unfavourable weather had a negative effect on agricultural output. Thus, in the early 1980s, the Soviet Union had a succession of low-crop years, and this prevented it from fulfilling its plans for the production of some farm produce, grain in the first place. Many shortcomings and difficulties in the socialist countries' economic development were also connected with economic-policy mistakes and the inability to make full and effective use of the advantages of the socialist economy. Socialist construction is successful when the policy of the ruling party rests on a solid scientific basis. A sizable part of the shortcomings, which now and again disrupt normal work in this or that sector of the national economy, is rooted in departures from the norms and requirements of economic life in the context of socialism.

The most complicated political and socio-economic consequences may result from breaches of the scientific principles of socialist construction or attempts to ignore them, evidence of which came from the political crisis in Poland in the early 1980s. It was caused above all by a departure from the scientific, Marxist-Leninist assessment of the social realities, and by breaches of the principles of socialism, especially the delayed discovery of contradictions between the development of the productive forces and the level of social consciousness, on the one hand, and the administrative and managerial methods, and the economic structures, and also the way in which power was exercised, on the other.

The CMEA countries' advances in economic construction carried them into the front ranks of the major industrial states, despite some difficulties in their socio-economic development. These successes were all the more striking in view of the fact that most of the CMEA countries had once been agrarian and raw-material appendages of capitalist powers. There is a gradual evening up of the development levels among the socialist coun-

tries and nations, and that is also a fundamental distinction between socialism, the new social formation, and capitalism, the old social formation, whose economic and political development is erratic.

Cooperation within the CMEA framework has helped once backward countries to move ahead rapidly; assistance and help in accelerating the growth and enhancing the efficiency of the economies of Cuba, Mongolia and Vietnam are a specific feature of their joint plans and measures.

The balance of forces between the two opposite social systems in the world arena has been substantially altered by the socialist countries' much faster pace of economic development. In the early years after the October Revolution in Russia, the socialist system covered 16 per cent of the world's territory, with 8.2 per cent of its population. In the early 1980s, the socialist countries ranged over more than 20 per cent of the world's territory, with more than 33 per cent of its population. In 1950, the socialist countries turned out roughly 20 per cent of the world's industrial product, the United States—41.7 per cent, and the Common Market countries—21.8 per cent. The US share of the world's industrial output has now dropped to roughly 25 per cent, and that of the Common Market countries—to 15-16 per cent. Meanwhile, the socialist countries have increased theirs to almost 40 per cent.

The economic potential of the socialist countries, and above all of the CMEA countries, together with their achievements in scientific and technical development, enables them to set and tackle ever larger tasks in raising the working people's material and cultural standards.

THE SOCIALIST ECONOMIC SYSTEM

1. SOCIAL PROPERTY IN THE MEANS OF PRODUCTION

Social property in the means of production is the basis of the socialist economic system. That is the economic and social substance of the socialist system, and it determines the crucial advantages which socialism has over capitalism, and makes it possible and necessary to develop the socialist countries' productive forces in a dynamic and balanced manner.

Property as a Relation of Production

Property is a fairly difficult concept, and it is probably worth while to take a somewhat closer look at it.

On the surface of things, in everyday human activity, property appears in close connection, on the one hand, with some thing or things, and on the other, with the right or title to that thing or things. People tend to say: "This thing is mine, that is not mine." Property is very often seen as a person's attitude to a thing, as when someone says that "this thing is mine" he appears to express his attitude to that thing. Actually, that is not so. If a given thing is truly "mine", it is an expression of my attitude to other people, for what I am saying is that the given thing is neither "yours" nor "his", nor any other person's.

It is true that property involves the appropriation of things, but the things themselves are not property and become the object of property only when economic relations are established between

people concerning its appropriation. In other words, property is an economic relation of production concerning the appropriation of things.

Property is a historical concept, and Marx's thesis that there is no property in general is highly important. In his polemic with Proudhon, Marx drew attention to the fact that the various property relations were historically frameworked, and that they corresponded to a definite historical type of relations of production.¹

Assuming that property relations are peculiar to every mode of production in economic terms, i.e., that historically definite property relations are inherent in every mode of production, the difference between the politico-economic approach to property, as compared with the juridical approach, becomes obvious. Duly modified, the same right of ownership, as a juridical form, may service different economic systems. Thus, the juridical institution of so-called free private ownership emerged in Ancient Rome and has continued to cater for the bourgeois society to this very day. Engels wrote in this context that the form of appropriation has remained the same (and that is directly reflected in law), but the character of appropriation has changed, because private property based on the personal labour of the commodity producer has been transformed into private property based on the exploitation of wage-labour, i.e., the labour of others.² Consequently any analysis of the economic content of property should be made in the context of the dominant mode of production within the overall system of the basic relations of production.

Everyone knows that the slave-holding, the feudal and the capitalist society are based on private property, on relations of exploitation. But there are deep distinctions between the forms of private property and the forms of exploitation. These distinctions spring from the specifics of each socio-economic formation and the corresponding mode of production.

The conclusion all of this suggests is that if the substance of property is to be clarified, it is absolutely necessary to take a

¹ See "Marx to Johann Baptist Schweitzer" in Marx and Engels, *Selected Correspondence*, Progress Publishers, Moscow, 1975, p. 143.

² See F. Engels, *Anti-Dühring*, pp. 320-321.

historical approach to the economic content of property relations in this or that formation. The historical approach is also absolutely necessary in studying the substance of property under socialism.

What has been said helps to formulate a somewhat broader definition of property in the terms of political economy: *property is the economic relation established between human beings over the appropriation of the means of production and the material and spiritual values they help to create.* Bourgeois scientists regard property as no more than a person's attitude to a thing, while the Marxist-Leninist science regards property in the means of production as the relations between human beings, between social classes which tend to change in accordance with the changing socio-economic conditions of life in the society.

Marxist-Leninist political economy draws a strict distinction between property in the means of production, on the one hand, and property in the articles of consumption, on the other. This distinction helps to bring out property in the means of production, which determines the ways in which the producers are linked with the means of production, the relations between human beings, social groups and classes at every stage of reproduction, and the forms in which the articles of consumption are distributed among them. The whole range of production and other social relations between human beings directly or indirectly depends on who owns the means of production, on who appropriates them and how.

The Substance of Socialist Property

Socialist property in the means of production is an expression of the relations between the members of the socialist society concerning their joint appropriation of the material conditions of social production.

In content, socialist social property in the means of production differs radically from all the earlier types of property in the means of production. In antagonistic socio-economic formations, only a part of the society—the exploiter class or classes, individual groups or persons—are proprietors of the means of production, while the bulk of the members of that society—the working people—are alienated from the means of production. In the social-

ist society, all the working people are joint proprietors of the means of production and use them for the benefit of all the members of the society.

What is most important for the relations concerning socialist property in the means of production is that the members of the society are not ranged against each other as separate private proprietors, but have equal economic status and act with respect to each other as joint proprietors of the means of production. Every member of the society acts as a co-proprietor of the means of production by taking part in the common and concerted labour effort with other co-proprietors like himself, and by enjoying the fruits of the collective labour.

The domination of social property in the means of production is the main feature of the socialist relations of production. There is no exploitation of man by man, and no antagonistic classes, because the means of production belong to the workers themselves. Under socialism, the means of production do not dominate men, nor do they or can they operate as an instrument of oppression, that is, as capital. The means of production constitute the material condition for the free labour of the associated producers, a means for boosting labour productivity, and for promoting the well-being and all-round free development of all the members of the society.

Socialist property in the means of production determines the very substance of the socialist economic system, the *new mode for conjugating labour-power with the means of production*. Under capitalism, the working man is conjugated with the means of production through his sale of the commodity labour-power to the capitalist. The socialist mode of conjugating labour-power with the means of production rules out the purchase or sale of the commodity labour-power and, consequently, man's exploitation of man. Under socialism, labour-power ceases to be a commodity, so that relations of comradely cooperation and mutual assistance are established between the joint proprietors of the means of production. In the socialist society, the producers are linked with the means of production directly, i.e., they are simultaneously joint proprietors of these means of production and workers.

Socialist property in the means of production engenders corresponding relations of exchange of activity by the associated

producers and of its results. This exchange is based on a conscious and concerted distribution of labour showing that socialist production has a direct social character.

Socialist property in the means of production determines the nature of the *relations of distribution* of the material values created. Since the means of production are social property, the material values created through their use are common property as well and are distributed for the benefit of the society as a whole.

The socialist society's *aggregate (gross) product* consists of the whole mass of material values, of the aggregation of consumer values produced by the society in the course of a given period (say, a year). This product has a fundamentally different socio-economic content, as compared with the aggregate product of the capitalist society, because it is created by exploitation-free labour with the use of the means of production jointly held by the producers themselves, which is why that product is their common property and is used for the benefit of all the working people. The social nature of the capitalist product is concealed and is exposed only on the market, and that spontaneously, whereas the product of labour socialised on socialist lines has a directly social character. Its production and distribution are regulated by the society.

Socialist property in the means of production also determines the relations taking shape in the process of *consumption* of material values. The means and objects of labour are productively consumed by the members of the socialist society jointly in the process of production. The goods of life intended for individual requirements are consumed both jointly—through social consumption funds, and individually—mainly in proportion to every workers' labour contribution to increasing the social wealth.

The various material goods are consumed at different periods of time, and some types of material goods, especially buildings, installations, and many transit facilities are in use for decades. The crucial part of the *national wealth*, a reflection of the results of the society's economic and cultural development over a long period of time, the result of the labour of a succession of generations, consists of the means of production and the articles of consumption accumulated by the socialist society, where the

national wealth is the property of the whole society and is used for the benefit of all the working people, so that its growth raises the material and cultural standards of the members of the society. Here the working people have a stake in increasing the national wealth and making rational use of it.

Consequently, the undivided domination of socialist property in the means of production signifies the establishment of a fundamentally new system of relations concerning the production, distribution, exchange and consumption of material goods, a system which differs radically from the capitalist system of production relations, which is based on the private-property appropriation of the means of production and the results of labour.

2. FORMS OF PROPERTY UNDER SOCIALISM

Social Property

Under socialism, social property in the means of production assumes two main forms: the whole people's (state) property and cooperative property. *The substance of the whole people's property in the means of production* is that all the members of the society relate to each other as joint proprietors of the means of production. All the members of the socialist society are absolutely equal as proprietors of the means of production. Under socialism, the whole people's property in the means of production assumes the form of state property, and consists of the land, its subsoil, waters, forests, factories, plants, mines, pits, railway, water and air transport, banks, means of communication, agricultural enterprises, institutions of culture and science, and so on.

State property is the whole people's property. The property of every factory, state farm or other state enterprise, and its products belong not only to its workers, but to all the industrial and office workers and peasants in the country, that is, to the whole people.

The cooperative peasantry, for instance, works in the cooperative, but is also involved in the appropriation and increase of the whole people's property. The building of schools, hospitals, electric-power plants, cultural institutions, land improvement and other facilities in the countryside is funded by the socialist state. Moreover, state plants, factories, railways and other en-

terprises operate for the benefit both of the industrial and office workers and of the peasants. For their part, the cooperative peasants contribute a part of their labour in various forms to the development and increase of the whole people's property.

The whole people's property is consistently socialist, and at the present stage in the development of the society it is the fullest possible expression of the principle of socialisation of the means of production. The whole people's property makes for the utmost correspondence of the social character of appropriation to the social character of production, and most fully expresses the equality of all the working people in the country as joint proprietors of social production. The emphasis here is on *joint*, for a key feature of the whole people's property is that it is indivisible. No one is entitled to demand of the state "his share" of the whole people's property, for it belongs to all in common, instead of to everyone individually. The individual appropriation of the objects of the whole people's property is prohibited by law and is a criminal offense.

State property in the means of production under socialism differs radically from state-capitalist or state-monopoly forms of property, which are different types of private capitalist property in the means of production. While socialist state property expresses the joint appropriation of the crucial means of production by all the members of the society, the property of the capitalist state expresses the monopolisation of the means of production by the bourgeoisie, above all by its monopoly section. With its political power and domination of the economy, the socialist state acts as the guarantor of the free labour of the associated producers and of the whole people's appropriation of the means of production and the products of collective labour. By contrast, the capitalist state acts as a direct exploiter of the working people and a guarantor of the capitalist wage-labour system.

"Self-Governing Socialism"

The whole people's property is not only a problem for scientific discussion, but is also an issue in the most acute ideological struggle. One will quite frequently hear it said, for instance (especially among present-day social-democratic theorists), that state

property is allegedly altogether incompatible with the ideals of socialist self-governance.

There are several aspects to this fairly complicated problem. First of all, it is important to clarify the need for the existence of the state under socialism. The Marxist-Leninist theory says that at some time in the future, under definite external and internal conditions, the state will wither away to be replaced by social self-administration. As a result, the whole people's property will naturally shed its present state form, while retaining its whole people's content.

But in the present conditions, with imperialism and its aggressive aspirations still existing in the world, and with different, even if friendly, social classes and strata still remaining in the socialist society, it would be naive, to say the least, to assume that the state can be abolished. Incidentally, the adversaries of the state do not generally call for its abolition in their own countries, but direct the fire of their criticism only against the socialist state. Aren't these "theorists" contradicting themselves?

The denial that the state has to exist for ever has deep historical roots. In the 19th century and at the beginning of the 20th century, the state as such was actively opposed by the anarcho-syndicalists, who equated the capitalist state and the socialist state, a non-class approach which inevitably results in a substitution of the juridical form of state (whole people's) property for its actual content. They reasoned on these rather primitive lines: the existence of any state whatsoever was unacceptable. But the theoretical and practical questions should be formulated in a different way: What kind of state? Whose class interests does it express?

The theoretical conceptions propounded by the advocates of "self-governing socialism" are based on the idea of a group property which they contrast to the whole people's (state) property. They claim that the group property of the producers (mainly on the level of the individual factory) can allegedly alone be regarded as bona fide socialist property. Where the whole of the society is the proprietor of the means of production, they insist, the individual member of the society can no longer be regarded as a co-proprietor of that property.

This conception does not essentially differ in any way from the idea of a "federation of economic communes" which the

German scientist Eugen Dühring propounded in the 19th century, and which Engels thoroughly criticised in his *Anti-Dühring*. Engels pointed out that the establishment of such relations would result in inequality both between the communes and between those working in the production and the non-production sphere. He showed that a "federation of economic communes" which are proprietors of the means of production independent of each other would ultimately resurrect capitalist relations. Property in the means of production scattered among individual collectives of working people cuts across the objective process of concentration and centralisation of production.

Lenin gave a crushing critique of the anarcho-syndicalist ideas of transferring socialist industrial enterprises into the property of individual groups of workers, when he said that any direct or indirect legalisation of the property of the workers of any given factory or any given trade in their particular production, or of their right to weaken or impede the orders of the state authority was a flagrant distortion of the basic principles of the Soviet power and a complete rejection of socialism.³

Some people, especially those who are not well versed in political economy, find some aspects of the theory of a "self-governing socialism" attractive, and one will hear the assertion that the people of this or that factory are both proprietors of the means of production and the managers of the enterprise. However, property and management are not the same thing at all.

Both theory and long years of practice under existing socialism have shown that socialist administration and management of the national economy constitute a ramified and multi-tiered system. Thus, every socialist enterprise (or production association) enjoys much economic and operational independence, and this is expressed in the fact that the socialist state provides the enterprise (association) with the necessary quantity of material and financial resources. Every enterprise is a juridical person with its own balance-sheet and its own bank account. It is empowered to obtain credits and conclude economic contracts with other enterprises and organisations.

³ See V. I. Lenin, "The Democratism and Socialist Nature of Soviet Power", *Collected Works*, Vol. 42, pp. 100-101.

Under socialism, a sizable part of the enterprises and institutions are managed by the local organs of power: the city, district, regional and other authorities. But from this it does not follow that the whole people's property is divided into city, district or regional property. In other words, the various tiers of administration do not produce different types of the whole people's property. What the advocates of "self-governing socialism" fail or refuse to understand is the distinction between the two concepts: property and administration (management).

Meanwhile, genuine self-governance by the working people under existing socialism is manifested in concrete forms. At this point one should again recall the class substance of the socialist state. In contrast to the French king's famous assertion—"The state is I"—the members of the socialist society have every reason to say: "The state is we".

One should also take into account the fact that the Soviets of People's Deputies and the most diverse social organisations of the working people—party, trade union, special elective people's control organs, etc.—exercise constant and effective control over the state organs of administration.⁴

Existing socialism is, therefore, a system of social relations resting on the whole people's (state) property and effectively exercising social self-governance.

Cooperative Property under Socialism

While the whole people's property is the higher form of socialist property, it does not involve all the means of production, a part of which is held as *cooperative property* by agricultural, fishing, hunting and trapping, and consumer cooperatives (engaged in marketing in the rural localities), and house-building cooperatives. The objects of cooperative property are agricultural instruments and machinery, some types of industrial equipment, farm, service and other buildings, cultural establishments, cooperative enterprises processing agricultural raw materials, means of transportation, productive and draught animals, perennial plants and the products turned out by the cooperatives.

⁴ For details on the working people's participation in socialist production see Chapters Three and Four.

Under socialism, cooperative property is socialist property because the dominant positions in the economy are held by the whole people's property in the means of production, the national economy is developing for the benefit of all the members of the society, and power is in the hands of the working class and all the other working people. By contrast, cooperative property in the capitalist society is a form of private property because of the domination of private capitalist property in the means of production.

The whole people's (state) and the cooperative forms of socialist property are of the same socio-economic type, because both involve the social appropriation of material goods, and serve the interests of the working people and their common goal: the building of a socialist society. The means of production held both as the whole people's and as cooperative property do not assume the form of capital, an instrument of exploitation. By their labour, the members of the producer cooperatives constantly help to increase both the cooperative and the whole people's property; for their part, the workers of state enterprises give direct help and all-round assistance along various channels in developing cooperative property. In the USSR and several other socialist countries, the agricultural production cooperatives operate on land which is the whole people's property.

The distinction between the whole people's and cooperative forms of socialist property consists above all in the level at which the means of production are socialised. The whole people's property signifies the socialisation of the means of production on the level of the national economy as a whole, and cooperative property, mainly within the framework of one or several cooperatives. The members of producer cooperatives relate to each other as collective proprietors of the means of production held by the cooperative, use these jointly and manage their farm. At the same time, together with all the other members of the society, they are proprietors of the whole people's means of production.

Because of the two forms of socialist property in the socialist society, it has two classes: the working class, the leading class of the society, which is connected with the whole people's (state) property, and the cooperative peasantry class, which is connected mainly with cooperative property in the means of production.

The whole people's (state) and cooperative forms of socialist

social property in the means of production determine *the existence of two types of enterprises: the whole people's (state) enterprises and cooperative enterprises*. They belong to the same socio-economic type, and are two different forms of the same socialist type of enterprise based on social property in the means of production. At the same time, state and cooperative enterprises differ substantially in the appropriation of the product, and the forms in which the production and sale of the product are organised. The product of the state enterprises is the whole people's property and belongs to the society as a whole as embodied in the socialist state, while the product of the cooperatives belongs to the cooperatives.

As a result of this distinction, state enterprises have their main production indicators set for them in a centralised manner, while the plans handed down in a centralised manner to the cooperatives include only the indicators for the sale of farm produce to the state, involving, as a rule, only a part of the product. The whole product of state enterprises is realised in a planned manner and at prices fixed by state agencies, while the cooperatives' product is purchased by the state in accordance with the state procurement plan (and over and above the plan) at prices fixed by the state with due regard for the interests of the cooperatives. A part of the cooperatives' produce is sold on the collective-farm market.

State and cooperative enterprises have different forms of management organisation. State enterprises are managed by directors appointed by the superior authority. The highest organ of management in the cooperatives is the general meeting of their members, which elects the cooperative board and its chairman.

The workers of state enterprises earn their incomes in the form of wages, which are regulated by rates fixed by the state, while cooperative members earn their incomes mainly by working on the cooperative social farm, and additionally, by tending their individual house-and-garden subsidiary farms.

The distinction between the whole people's and cooperative enterprises, as two distinct forms of the socialist type of property, are being gradually obliterated with the rising level of socialist socialisation of the productive forces in the cooperatives.

Personal Property under Socialism

In the *Manifesto of the Communist Party* Marx and Engels exposed the bourgeois apologists' inventions that under socialism personal property in the articles of consumption would be eliminated, and that individual interests, preferences and requirements would be suppressed. Marx and Engels proved that it was only private capitalist property in the means of production that would be liquidated with the winding up of capitalism, while the satisfaction of the working people's growing individual requirements would be ensured by the domination of social property in the means of production and the steadily rising efficiency of the national economy as a sound basis for raising the working people's living standards.

Under socialism, *personal property* is a form of socialist property and involves economic relations concerning appropriation by the individual members of the society of the material and spiritual values going to satisfy individual requirements.

The product turned out by collective labour with the use of social means of production first goes into social property and is then distributed between the workers in accordance with their labour contribution to social production, thereby being converted into their personal property.

Personal property is neither the whole people's property nor cooperative property; it is not private but socialist property, because it exists under the domination of social property and is ultimately determined by it.

To see why that is so one has to bear in mind that in the socialist society the working people have in their personal property mainly articles of consumption, because the cardinal means of production cannot be individually appropriated by the members of the society. In his *Critique of the Gotha Programme*, Marx says that in a society based on the principles of collectivism, on the common ownership of the means of production, "no one can give anything except his labour, and . . . on the other hand, nothing can pass to the ownership of individuals except individual means of consumption".⁵

⁵ Karl Marx, "Critique of the Gotha Programme", in Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 3, Progress Publishers, Moscow, 1973, p. 18.

With the development of the socialist society and the growth of individual requirements, there is also a growth in the volume of material goods passing into the personal property of the working people and members of their families.

Nowadays, it is hard to imagine life without a TV set, refrigerator, radio and other consumer durables. In the USSR, for instance, every working person can own a car, but no one is entitled to own a fleet of taxis and have cab-drivers working for him. Everyone is entitled to build a house of several rooms for himself and his family, but no one is allowed to own houses for leasing to tenants so as to live on unearned incomes. Under socialism, the working person is entitled to own many things, but no one can privately own a factory, plant, etc.

There should also be clarity on who in the socialist society is entitled to hold personal, but not private property. These are the men and women working in social production, i.e., at state enterprises and establishments or at cooperative enterprises.

Labour expended in the social economy is the main source of incomes from which personal property is constituted. The old-age pensioners, the disabled and the students, who will be found in any society, receive maintenance from social funds.

In other words, personal property under socialism originates in labour, with all the working people having a binding duty to take part in socially useful labour.

The individual subsidiary (homestead) farm, as a rule run by inhabitants of the rural areas, is a form of personal property under socialism. It can consist of farm buildings, productive cattle, poultry, fruit trees, etc. Those with personal subsidiary farms also have some means of production and operate on land (house-and-garden plots) made available for their use in accordance with the effective legislation. However, no homestead farm can be transferred to the use of other persons or be worked by means of wage-labour.

The socialist state protects the citizens' personal property and their right to inherit it.

THE CHARACTER OF LABOUR UNDER SOCIALISM

1. RELATIONS BETWEEN PEOPLE PARTICIPATING IN SOCIAL LABOUR UNDER SOCIALISM

The domination of socialist property in the means of production changes radically the character of labour in the society. Socialist property ushers in the epoch of free labour for the sake of a better life for the working people. The emancipation of labour alone creates the basic condition for the true freedom of the individual.

Marx says: "The realm of freedom actually begins only where labour which is determined by necessity and mundane considerations ceases; thus in the very nature of things it lies beyond the sphere of actual material production."¹ What Marx means to say is that the realm of freedom begins at the point at which work in any sphere of production is stimulated by more than the need of material goods, i.e., not only by economic motives. Under socialism, together with the natural requirements (food, clothing, housing, medical care, etc.), socio-cultural requirements also begin to work as active inducements to labour, for these lie "beyond the sphere of actual material production", i.e., not in the sphere in which things are made, but in the sphere in which the formation ("production") of man himself as a social being and a free individual takes place.

At this point, the following question naturally arises: does labour as a want appear only under socialism? Let us take a look at this question in the most general terms.

¹ Karl Marx, *Capital*, Vol. III, Progress Publishers, Moscow, 1977, p. 820.

Labour as a Want and Its Historical Evolution

Labour has always been and continues to be the basis of the human society's existence, the source of social wealth, and a constant form of human vital activity, which largely determines man's social nature. Centuries ago, mankind came to realise that it was impossible to survive without labour as the main source of the means of subsistence, and that is an objective fact which bourgeois economists cannot deny either. But bourgeois economists claim that labour has never been and could never be a natural human want, and that it cannot become such a want under socialism either. The thrust of their arguments is that the urge to work is allegedly alien to "human nature", because for hundreds of years it was the punishment for the sins of Adam and Eve, the "progenitors of the human race".

But this myth is exposed as a nonsense by the actual history of the human society, which shows that the need to work is one of the most ancient acquisitions of the human civilisation. Were labour no more than a forced effort under duress, it would be very hard, indeed, to explain the creative imagination, wit, artistic skills and genuine passion for work that are expressed in the masterpieces created by the people over the centuries.

Marx laid special emphasis on the idea that the want for work rests on a natural basis, because it is dictated by nature itself: a healthy organism needs "a normal portion of labour and a cessation of rest."² Indeed, the want for work has been manifested in the human society in various epochs, even if only in the form of industriousness.

Socio-economic formations and modes of production differ from each other in the character of labour, i.e., the mode in which labour-power is joined with the means of production. It is the character of labour that determines men's attitude to labour itself and the historical evolution of labour as a want.

As labour is divided into mental and manual, and as the society is stratified into classes, the ruling class and the strata allied with it come to monopolise virtually the whole of intellec-

² K. Marx, *Grundrisse der Kritik der politischen Ökonomie (Rohentwurf)*, 1857-1858, Verlag für fremdsprachige Literatur, Moskau, 1939, S. 504.

tual activity. That being so, labour as a want is characteristic of a small circle of persons, among them scientists, poets, artists, architects, musicians, orators, military commanders, etc., but that does not suggest that the need for creative effort will not be found among broad masses of people. Down the centuries, gifted but anonymous men took part in producing the masterpieces of architecture and creating the legends, songs and folk melodies, as these were passed on by word of mouth. Were labour not in any sense a want, it would be impossible to explain the appearance of true masterpieces of amateur art, inventions by self-educated scientists, and artistic skills in various special fields, whether during the slave-holding period, feudalism or capitalism.

Let us note one highly important fact: the capitalist society, which makes such wide use of slogans like "Liberty, Equality and Brotherhood", is most notorious in trampling these principles in the sphere of labour. While the labour activity, say, of the working class helps to implant in the minds of workers a positive attitude to useful work, and to understand the value of labour and the social value of its existence (all the material accomplishments of the capitalist society are, after all, the handiwork of the working people), the concrete social conditions in which the working people have to live generate another tendency: the alienation of labour. This alienation springs above all from the fact that in the exploitative society, including the capitalist society, the working people do not work for themselves, but for their masters, for their employers, which is why there can be no truly free and fraternal labour in the "free" capitalist society. The working man's want for work is suppressed by the capitalist master-servant relations, producing a revulsion to work for the exploiter, and subsequently a revulsion to every kind of work. This tends to suppress the want for work, one of the most essential human wants.

Consider the feelings and moods of the tens of millions of unemployed in the capitalist world today. One would not be far out in assuming that their indignation is caused not only by their material conditions, but also because the capitalist society tramples on their perfectly natural want for work.

The influence of the whole surrounding atmosphere tends to develop a negative attitude to work, especially to that of the

working man. In the capitalist world, the working people see idlers, who are absolutely "free" of the need to work, leading a life of luxury. Moreover, it is not the working people, but the "gracious liver" and their life of indolence that are mainly advertised on the pages of the press, in the illustrated magazines, and on television. In that society, one will hear ministers, professors, lawyers, doctors and others of that class of people addressed as "Mr.," "Herr", and "Monsieur", but a worker will be called "Mister" only in jest, and that is not surprising at all because it is generally assumed in the capitalist society that a worker is someone who has failed to make good.

The whole history of the working-class movement consists in the working class fighting not only for the right to work, but also for a radical change in the character of labour, a situation in which the want to work would be freely developed.

Marxist-Leninist political economy assumes that labour as a want does not first emerge under socialism, but is merely transformed into man's prime want. Having changed social relations, the socialist revolution first of all did away with man's exploitation of man and the alienation of labour, so making it possible to tackle the key task of remodelling the structure of human wants, in order to make the as-yet-rudimentary want for work the primary want among all the others. That marked the end of its evolutionary development, for with the triumph of socialism, there is a qualitative revolutionary leap in the moulding of man's want for work as a general historical trend.

Free Labour for Oneself and for the Society

The character of labour in the society undergoes a radical change as socialist property in the means of production comes to be predominant. The character of labour is an expression of the key features of the social form or social organisation of labour inherent in a given economic system. Lenin says that "it is not labour that is a definite category of political economy, but only the social form of labour, the social organisation of labour, or, in other words, the mutual relations of people arising out of the part they play in social labour".³

³ V. I. Lenin, "Vulgar Socialism and Narodism as Resurrected by the Socialist-Revolutionaries", *Collected Works*, Vol. 6, p. 263.

The new labour relations between people, generated by socialist property in the means of production, are manifested above all in the fact that under socialism labour is free from exploitation, for it is labour performed by the producers for themselves and for their own society. In the socialist society, labour ceases to be a hard burden, something performed under duress, as it is for the working people in all the antagonistic class societies. Remarking on this fact, Lenin says that under socialism "for the first time after centuries of working for others, of forced labour for the exploiter, it has become possible to *work for oneself* and moreover to employ all the achievements of modern technology and culture in one's work".⁴

A conscious attitude to work for the common good, and the socialist discipline of labour cannot be developed by all the members of the society at once. The actually existing socialist relations of production in the conditions of the new economic system help to do away with the alienation of labour, which means that an objective basis is created for transforming everyone into a conscious worker of the socialist society. But there are several factors operating against the process, and they are most keenly felt at the initial stages of socialist construction.

The new attitude to work, for instance, is largely connected with numerous subjective factors of the social consciousness: general educational standards, prejudiced mentality, ingrained habits, etc. That is why the changing of the social mentality and the elimination of the psychological alienation of labour are a process which tends to run more slowly and with greater difficulties than the liquidation of private property in the means of production and of the socio-economic alienation of labour. Socialist construction also has to tackle the difficult task of developing a creative attitude to work and helping individuals to overcome the oppressive preconceptions about work being an unpleasant necessity and a heavy burden imposed on human beings for their sins.

As the socialist relations of production develop, the product of labour ceases to be alienated, for it is no longer an instrument of exploitation, becoming the property of the working class,

⁴ V. I. Lenin, "How to Organise Competition?", *Collected Works*, Vol. 26, p. 407.

its collective producer. Labour-power ceases to be a commodity. Accordingly, there is a change in the relations between the individual working person and the state or the collective to which he or she belongs. The worker has every right to regard himself as a co-participant in the production process and a co-proprietor of all the material and spiritual resources which the society has at its disposal. But even now the ideological and political education of the working class becomes a task of paramount importance, because the socialist society, "just as it *emerges* from capitalist society, . . . is thus in every respect, economically, morally and intellectually still stamped with the birth marks of the old society from whose womb it emerges".⁵

Considering the tasks in the ideological and political education of the Soviet working class, Lenin says that it has preserved "a good deal of the traditional mentality of capitalist society. The workers are building a new society without themselves having become new people, or cleansed of the filth of the old world; they are still standing up to their knees in that filth. We can only dream of clearing the filth away. It would be utterly utopian to think this could be done all at once."⁶

The social practice of socialist construction shows this important idea of Lenin's to be still fully valid. Even when socialist relations are finally established, individualistic habits, an urge to gain at the expense of others, at the expense of the society, are still retained and even reproduced among some people. Those are all consequences of the alienation of labour, to use the Marxist term, and they do not vanish automatically or suddenly from the consciousness although alienation itself has been eliminated.

One should also bear in mind that, growing as it does directly out of capitalism, socialism is still unable at the initial stages of its development to free labour from its erstwhile one-sidedness and to do away with the remnants of the old division of labour, and that naturally also has an effect on the attitude to labour taken by the members of the socialist society. It is well known, for instance, that socialism sets itself the goal of doing away

⁵ K. Marx, "Critique of the Gotha Programme" in Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 3, p. 17.

⁶ V. I. Lenin, "Report at the Second All-Russia Trade Union Congress, January 20, 1919", *Collected Works*, Vol. 28, pp. 424-425.

with the contradictions between mental and manual labour, but essential distinctions between these two types of labour still remain for a relatively long time even under socialism. Mental labour is certainly much more creative, and so more attractive than manual labour. From capitalism, socialism also inherits the monotonous technology of the assembly-line mass production, which can hardly be attractive for most working people. It is not surprising, therefore, that tremendous efforts are being made under socialism not only to do away with the physically most arduous types of labour, but also to make labour more creative. This can perhaps be done through the development and introduction of automated production everywhere.

Consequently, it is characteristic of the initial stages of the maturing socialist relations of production that most citizens regard labour as a means of subsistence. However, the socialist state works to combine material and moral incentives, encourage innovation and a creative attitude to work, so helping to transform labour into every person's prime want.

Direct Social Labour

Men involved in the process of production are interconnected with each other, and that is why labour is always social labour. In the society based on private property in the means of production, labour, which is by its very nature social, tends to appear directly in the process of production as the private labour of alienated producers, each doing his own private thing. After all, people will buy the goods made by other people only if they need the things on sale as commodities. Here, the social character of labour is manifested indirectly, through the medium of the exchange of products, i.e., on the market, rather than in the process of production. As a result, the producers tend to work on their own, which makes the balanced organisation of labour on the scale of the society as a whole impossible. There is an antagonistic contradiction between private and social labour, and this tends to develop into a contradiction between social production and the private appropriation of its results.

The private character of labour is eliminated by the socialist socialisation of the means of production which converts the labour of every individual worker into an organic part of the ag-

gregated labour of the producers united on the scale of the society. Engels says: "From the moment when the society enters into possession of the means of production and uses them in direct association for production, the labour of each individual, however varied its specifically useful character may be, becomes at the start and directly social labour."⁷

The associated producers' direct social labour is the very opposite of the indirect private labour of workers, based on private property in the means of production. Private property divides men, whereas socialist property in the means of production integrates the labour of all the workers on the scale of the whole society, so that the labour of each individual worker becomes an organic component element of the associated producers' aggregate social labour. That puts an end to the sway of the market forces over the producers, to competition and its attendant ruin of those who fail to adapt themselves to the chaotic conditions of the market.

Under socialism, direct social labour is embodied in the socialist aggregate social product, which, as an economic category, expresses the relations between the workers associated in the process of production by social property in the means of production and creating the aggregate material and spiritual values balanced according to the definite proportions laid down by the society in advance. The socialist society consciously regulates the links between the producers in the process of production itself, allocates their labour in a balanced manner between the spheres of the national economy, and the departments and sectors of production, establishes the balance between the production of various goods, regulates the labour regime and the work rates, and ensures the observance of normal working conditions and the use of the latest scientific and technical achievements in production.

The Universality of Labour

Some bourgeois writers claim that under socialism extensive use is made of forced labour, which is what universal labour allegedly amounts to. In actual fact, the universality of labour,

⁷ F. Engels, *Anti-Dühring*, pp. 366-367.

which is reflected in the "he who does not work, neither shall he eat" principle, is the key condition for the freedom of the associated proprietors of the means of production.

Socialism proclaims not only the right to work, but also *the universality of labour*, thereby expressing its social recognition of labour as the crucial form of human activity, so inaugurating the process in which the working man is ennobled as the true creator of mankind's history.

People take a different attitude to the universal duty to work, especially in the period of transition from capitalism to socialism, when the economy is multisectoral, while capitalist elements and other parasitic strata of the population continue to exist within the social fabric.

The members of the working class regard the universality of labour as that which legitimates their status as citizens having legal capability and as individuals with full enjoyment of their rights, and as the imperative for converting everyone into conscious workers of the socialist society.

One should also bear in mind that in the period of socialist construction there is, as a rule, a rapid influx into the working class of people from the most diverse strata of the population, whose social mentality differs from that of the hard-core workers. This calls for much educational work in order to change the habits, ethics and inert mentality of the millions of new workers coming in from the non-proletarian environment.

Finally, the former members of the capitalist class, the landowners and a section of the bourgeois intelligentsia take a clearly negative attitude to the "he who does not work, neither shall he eat" principle, because for them its application entails a complete break-up of their well-established way of life, forcing them to get down to socially useful activity under the working people's control.

As the working-class power undertook the tasks of educating people in the discipline of labour, it could not avoid using some measures of coercion, which is why Lenin regarded the education of labour discipline in the transition period as a form of class struggle.⁸ Soviet analysts are quite right in saying that,

⁸ See V. I. Lenin, "The Dictatorship of the Proletariat", *Collected Works*, Vol. 30, p. 98.

theoretically speaking, there would have been no point in insisting on the *universal duty to work* if after the revolution the new power had to deal only with the conscious working class, for in those circumstances it could have confined itself to proclaiming *the right to work*, i.e., to providing for all the actual possibility of applying their intellectual and physical powers in socialised production. In actual fact, the revolution is faced not only with a large number of people coming from the parasitic strata of the population, but also with some working people corrupted by the capitalist society and saddled with the private-property mentality. That is why it is not enough to proclaim the right to work, because it implies voluntary participation in labour.

Labour discipline is one of the key conditions for successful socialist construction, and its character, motivations and concrete forms are determined by the organisation of labour. Lenin recalled that the organisation of labour under serfdom was maintained among extremely ignorant and downtrodden working people by means of the rod, while the capitalist organisation of labour rests on the discipline of hunger. "The communist organisation of social labour, the first step towards which is socialism, rests, and will do so more and more as time goes on, on the free and conscious discipline of the working people themselves who have thrown off the yoke both of the landowners and capitalists."⁹

Economic Interests under Socialism

Property relations condition the motivations and the incentives people have for maintaining labour discipline, that is, they determine their *economic interests*. Engels says: "The economic relations of a given society present themselves in the first place as *interests*."¹⁰ Economic interests always have a historical and class character.

In the capitalist society, private property in the means of production creates an antagonism between the economic interests of the capitalist entrepreneurs, and those of the wage-wor-

⁹ V. I. Lenin, "A Great Beginning", *Collected Works*, Vol. 29, p. 420.

¹⁰ F. Engels, "The Housing Question" in: Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 2, p. 363.

kers, the dominant economic interest being that of the capitalist class, which is the production and appropriation of surplus-value. The interest of the capitalist class is in antagonistic contradiction with the basic and immediate economic interests of the working class and the other contingents of working people.

Under capitalism, the wage-worker's material stake in the results of his labour is, strictly speaking, very relative. After all, the more labour he expends at the capitalist enterprise (even if his wages go up), the more he is exploited by the capitalist entrepreneur. That is the basis on which the conflict of economic interests develops into a struggle for the vital political interests of the working class and those of the capitalist class. The bourgeoisie's interest lies in safeguarding and bolstering the capitalist mode of production, while that of the working class is to liquidate capitalism and replace it with socialism through revolutionary action. "The fundamental economic interests of the proletariat can be satisfied only by a political revolution that will replace the dictatorship of the bourgeoisie by the dictatorship of the proletariat."¹¹

The antagonistic antithesis of economic interests is liquidated only by socialism, which does away with capitalist private property. Under socialism, a fundamentally new type of economic interests takes shape reflecting the socialist relations of production, which are based on social property in the means of production.

Human interests are highly diverse, and one should draw a distinction between economic, socio-political, cultural and other interests. It is economic interests which are of special importance.

Under socialism, socio-political and spiritual interests, for instance, have an especially big role to play, for they are powerful propellants of the socialist society's development. The common socio-political, moral and cultural interests of the members of the socialist society allow it to have moral and political unity, collectivism and socialist patriotism. However, these common interests can emerge and develop only on the basis of a definite system of economic interests. Thus, the socialist society cannot have moral and political unity without so-

¹¹ V. I. Lenin, "What Is to Be Done?", *Collected Works*, Vol. 5, pp. 390-391.

cialist social property, which integrates the economic interests of the socialist society.

Consequently, within the overall system of interests, it is economic interests that are ultimately definitive.

While emphasising the definitive influence of economic interests and material stimuli, one should not underestimate the role of moral stimuli to labour either. It would be totally wrong to contrast the two.

The material incentives for labour under socialism express the material stake the working people themselves have in developing socialist production: after all, the larger the volume of goods and services produced in the socialist society, the larger is their supply for the consumption of the producers themselves.

At the same time, tremendous importance in socialist production attaches to the comprehension by the members of the society of their role as associated proprietors of the means of production, of the social importance of their labour, and of the working people's new status in the society. That is the basis of *moral incentives*, i.e., of moral inducements for work. Moral incentives largely promote the development of creative labour enthusiasm among the working people under socialism, but practical experience shows that socialism cannot be built only or directly on enthusiasm, without taking due account of the working people's daily economic interests. Conversely, socialism cannot be built without the use of the most diverse moral incentives for work. Consequently, moral and material incentives for work under socialism operate as a unity, and it would be wrong to contrast the two.

The unity of the vital interests of all the members of the society as the associated proprietors of the means of production ensuring ever fuller satisfaction of their common requirements in the means of production and individual means of livelihood is a distinctive feature of economic interests under socialism. The socialist society as a whole, all the production collectives, and every individual worker have a stake in the development of production, so that the production of goods for satisfying the requirements of the society and all its members ceases to be the private business of individuals and becomes a social endeavour of paramount importance, a matter for all the pro-

ducers, and their common economic interest. That is what makes socialism totally different from capitalism, under which the private proprietors are moved by the urge to maximise their profits by appropriating the products of the labour of others, a society in which people are divided by the clash of private interests.

However, the unity of vital interests does not signify an identity of all the interests of the members of the socialist society, or the absence of any contradictions between them. Two friendly but distinct classes—the working class and the cooperative peasantry—exist under socialism on the basis of the two forms of social property (state and cooperative property). When a cooperative farmer offers his produce on the urban market he hopes to get the best price for it, while the urban worker would like to buy it at the lowest price, so that their economic interests (and these are here-and-now interests) do not coincide. Even more difficult problems arise in setting the selling price, say, of farming machinery made for cooperatives at state enterprises. At the same time, the right level has to be found for the procurement prices for cooperative farm produce sold to the socialist state. In all these cases, there is a difference of interests, conditioned by the specific property relations. In a sense, that is also a manifestation of the contradictions between the economic interests of the worker and those of the cooperative farmer, and between the state and the cooperative enterprise. But like all the other contradictions under socialism, these contradictions are not antagonistic. Let us bear in mind that these unidentical interests are an expression of relations between individuals or collectives of people who cannot exploit each other and live on unearned income.

The entire system of socialist administration and planning is designed to realise in practice the unity of the vital interests of the whole people, of the regions, of the collectives at the enterprises and of the individual working people.

The leading role of the whole people's property objectively determines *the primacy of the whole people's interest*, which consists in the best satisfaction of the whole range of social requirements. Here, it is the working class, whose vital interests coincide with those of all the other working people, that most consistently expresses the whole people's interest.

The interests of work collectives in production have a special place within the range of interests of the socialist society. Under socialism, relations between the society (the state) and every work collective rest on the principle: "what is good for the society should be good for the work collective". This principle is realised through the mechanism of socialist economic management, which seeks to create for the enterprise economic conditions inducing the most efficient use of material and labour resources for the best satisfaction of social requirements.

Attempts to contrast the interests of individual collectives with the social interests as a whole are incompatible with the domination of the whole people's property. Lenin says that "at first we had to fight a lack of understanding of the common interests among the workers, to fight various manifestations of syndicalism when the workers of some factories or some branches of industry tended to place their own interests, the interests of their factory or industry, above the interests of society".¹²

The economic interests of individual workers are an important factor under socialism. Their connection with social property is expressed in the fact that every member of the society, together with all the other members, is the proprietor of the whole people's means of production, and for that reason has a stake in their efficient use for the best satisfaction of social requirements. The growth of the working people's well-being depends on their participation in socially useful labour, on the results of the work of the enterprise collective, and on the development of the whole of social production. The individual interest expresses the relation between the individual worker and the society as a whole, and also between the worker and the enterprise, concerning the forms of participation in the production and distribution of the products of collective labour, working and living conditions, and so on.

Capitalist Competition and Socialist Emulation

Opponents of existing socialism frequently claim that there can be no true personal initiative in the socialist society with its priority of social interests, and that "free" enterprise, private-

¹²V. I. Lenin, "Speech Delivered at the First All-Russia Conference on Party Work in the Countryside", *Collected Works*, Vol. 30, p. 143.

property initiative and competition are the only lasting locomotive of economic development.

Other bourgeois ideologists allege that there is no essential distinction between capitalist competition and socialist emulation.

The founders of Marxism believed that collective labour activity provided the material basis for emulation, because when people work together they vie with each other for the best results and their vital energies increase, which is one of the factors in boosting labour productivity and efficiency.

By contrast, private property inevitably reduces the contest to downright rivalry and competitive struggles, in which one man's success is another man's defeat.

In a society in which everything is up for sale and purchase, there is competition between sellers, between buyers, and between sellers and buyers, and it rages most fiercely among the capitalists. Moreover, in the society ruled by capital there is also competition between the workers, and it is being constantly fanned in various ways. First of all, in order to stay on the job, every worker has to keep making the most intense efforts, regardless of the effect on his health; second, in their drive for maximum profits, the capitalists press on with the division of labour and use ever more sophisticated machines, so ousting from the sphere of material production more and more workers, a large part of whom are doomed to unemployment.

Sociologists in the capitalist countries have noted radical changes in the attitude to work. The ever more intense effort and the toughening up of exploitation increasingly produce a sort of revulsion to work which is caused by a number of factors, among them being the corrupting influence of competition.

Social property in the means of production under socialism creates the conditions for free labour, for labour emulation on truly collectivist principles, and for purposeful organisation of emulation on a massive, state-wide scale. Socialism releases the working man from the bondage of capitalism's wage-slavery and opens up unprecedented prospects for the display of enterprise, initiative and new ideas by the working people. In these social conditions, there is no place for competitive fighting or antagonistic contradictions. Socialism does not merely change or improve competition, but does away with it altogether.

What is the fundamental distinction between socialist emulation and competition?

First, competition is an expression of the relations of production under the domination of private property in the means of production and inevitably divides men's economic interests and pits them against each other, which is what imparts an antagonistic character to it and turns it into a fierce fight between rivals, into a war of everyone against everyone. By contrast, socialist emulation develops on the basis of social property in the means of production and in conditions in which the vital interests of various groups of working people are not antithetical, but similar, and in which relations between the participants in social production are marked by comradesly cooperation and mutual assistance, and a readiness to make joint efforts for an overall upswing in production and improvement of its results.

Second, as the capitalist mode of production develops, competition increasingly exacerbates the contradictions of the capitalist society, deepens its social inequality, intensifies the working people's exploitation and the moral corruption of men, fans national strife and ultimately begins to act as a brake on social progress. Under socialist emulation, there is a consistent advance to ever more perfect forms of the mass movements for higher labour productivity and greater efficiency of social production, the working people's active participation in government and the administration of social affairs, and the education of men and women in the spirit of the socialist attitude to work, in the spirit of true collectivism and the brotherhood of nations, all of which makes it a powerful instrument of economic, social and spiritual progress.

Third, the competitive fight is spontaneous and is manifested through the play of market forces, the sale and purchase of every imaginable thing, the uncontrolled movement of capital and changes in the structure of production. Socialism, with its planned economy, allows the purposeful use of the cognized uniformities of emulation that have been discovered in it as an objective phenomenon, so as to organise it on the desired lines.

Fourth, competitive fighting, especially at the monopoly (imperialist) stage in the development of capitalism, compounds the instability and sharpens the upheavals of the world capitalist economy. There is ever more intense militarisation of the econ-

omy, acute conflicts between states and peoples, and a growing political reaction in various spheres. By contrast, socialist emulation assumes international proportions and so promotes all-round fruitful cooperation, economic integration among the socialist community countries and their fraternal alliance.

Consequently, the fact that socialist emulation and capitalist competition are antithetical stands out most clearly for everyone to see.

2. THE BASIC ECONOMIC LAW OF SOCIALISM

The Laws of Nature and Social Development

It is easy to see that there is a constant repetition of some phenomena in the world and the society around us, but it is much harder to find out the essence or cause of this or that phenomenon.

It is the task of science to discover and analyse the essence of phenomena, which do not always reveal that essence and so leave the wrong impression.

Men have always observed the rising and setting of the sun, the movement of the moon and the other celestial bodies, and in the old days it was generally assumed that the Earth was stationary, while the celestial bodies revolved around it. When scientists finally discovered the true movement of the celestial bodies, people could not believe them for a very long time. Scientists were persecuted as quacks and heretics, while most people firmly held to their habitual notions. Such habitual notions based on the outward semblance of things have repeatedly hampered the discovery of the secrets of the surrounding world and the essence of phenomena.

Essence and its appearance are not identical. Marx was quite right when he said: "All science would be superfluous if the outward appearance and the essence of things directly coincided."¹³ Were they identical, simple observation and everyday experience would lead to a knowledge of the essence of things. But practical experience does not in itself lead to knowledge beyond a description and systematisation of external, empirical

¹³ Karl Marx, *Capital*, Vol. III, p. 817.

data. Science is the only way which leads mankind through the labyrinth of phenomena to the discovery of essence.

The recurrence of phenomena is an important factor in scientific cognition, and its establishment helps to understand the uniformity of phenomena, to delve into their essence in practical experience, and to verify the correct understanding of it. It has taken men thousands of years to formulate the various uniformities of nature. Men have long known that an object thrown into the air must fall to the ground, but the essence, the cause of that phenomenon—the law of gravity—was formulated very much later.

Human cognition of things, phenomena and processes is endless, and it is a process which runs “from appearance to essence and from less profound to more profound essence”.¹⁴ A “less profound” essence was, of course, discovered when fire was obtained by friction, but it was a rung in the great ladder of cognition, and it is one which could neither be circumvented nor leaped over on the way to more profound comprehension of essence.

Advancing along the same line, one will see the way of cognition run “from less profound to more profound essence”, a way sketched out by Engels in his *Dialectics of Nature*, in which he says that thousands of years passed before the capacity to obtain fire by friction led to the conclusion that “*friction is a source of heat*”. But knowledge did not stop at that point. In 1842, Julius Robert von Mayer, James Prescott Joule and Ludwig August Colding reached the conclusion that every mechanical movement was capable of being converted into heat through friction. That was comprehension of a “more profound essence”. But this essence was revealed in even greater depth when it was discovered that one form of motion could be, directly or indirectly, transformed into other forms of motion.

The deepest insight into essence shows the connection between the various forms of motion. In other words, we have before us a *law reflecting essence and showing the internal essential connection of phenomena*.

Definite uniformities also exist in social development. It is

¹⁴ V. I. Lenin, “Conspectus of Hegel’s Book ‘The Science of Logic’, *Collected Works*, Vol. 38, p. 221.

well known, for instance, that over the centuries many people living in different geographic, climatic and other natural conditions passed through the same set of stages: from the classless society, in which man did not exploit man, to the class society, in which antagonistic exploitative relations appeared and began to develop. The most refined and comprehensive forms of exploitation will be found under capitalism. The victory of the October Revolution in Russia carried mankind into a new epoch of transition from capitalism to socialism on a world-wide scale.

Consequently, definite uniformities are also manifested in the development of the human society, and one of them is that every mode of production must give way to a more progressive mode of production.

Economic Laws and Their Objective Character

Economic laws, i.e., laws operating in the sphere of the relations of production, have a special place among the laws of social development. *Economic laws are the most substantial and stable objective inter-relations and connections of cause and effect in economic processes and phenomena.*

The operation of many economic laws is daily felt by everyone, including those who have no knowledge of political economy. Consider, as an example, the noisy and hectic activity of the market place, where the prices of the same goods keep rising and falling in the course of the day. When the supply of a given commodity is large and there are not many buyers, supply exceeds demand, and the price of that commodity tends to fall. Conversely, when demand outruns supply, prices have a tendency to rise. That is a manifestation of the economic law of supply and demand. Consider another example. People are known to exchange with each other the results of their labour, but it will not occur to anyone to exchange a ballpoint pen for a leather jacket, and that not because the owner of the jacket has no need of the pen. He could consider such an exchange if he were offered 2,000 pens. In the process of commodity exchange someone, of course, may make a profit and someone may make a loss, but that is not the main thing. What is much more important and definitive is that, regardless of the traits of hu-

man character and the results of human labour, there is an exchange of more or less commensurate equivalents. The exchange of commodities takes place on the basis of the economic law of value.

Consequently, like the laws of nature, *economic laws are objective*, i.e., they express interconnections and relations which do not depend on the will or consciousness of men.

At the same time, economic laws are largely different from the laws of nature. To begin with, the forces acting in nature are blind and unconscious, and they operate regardless of man and his activity. There is nothing man can do about the succession of day and night, and the day follows the night, as the night follows the day, but the whole point is the inevitable alternation of the two.

Let us bear in mind that the laws governing the development of social life, and economic life in particular, could not have emerged before the emergence of the human society, and this in itself adds to the distinction between economic laws and the laws of nature.

As the material conditions in the life of the society change and one set of production relations is replaced by another, some economic laws cease to operate and new ones emerge. Every social system and mode of production has its own system of special or specific economic laws.

A further comparison of economic laws and the laws of nature reveals yet another important fact: in nature there is a direct connection between the law and the operation of natural forces, whereas in social life the connection is much more intricate and is mediated by economic interests: law—interests—human action. Men act in the light of their economic interests, but a deeper analysis shows that they act in accordance with economic laws even when they are not aware of their existence or have made no special study of them. In social life it is impossible to ignore economic interests. One could frame a highly attractive plan for economic development containing many interesting ideas, but unless the operation of objective economic laws is taken into account and unless economic interests are set in motion, the plan will be doomed to remain on paper.

What then is the meaning of the statement that economic laws are objective?

First, people can neither create nor abolish objective economic laws, nor yet replace them by others. That is a fundamental distinction between economic laws and juridical laws. Everyone knows, for instance, that people consciously and deliberately repeal juridical laws so as to make the existing legal norms and procedures conform with their purposes. Objective economic laws cannot be treated in that way.

Second, economic laws operate regardless of whether men are aware of their existence or not, which also shows that economic laws are objective. For thousands of years men generally had no clear notion of the existence of any objective economic laws, but these laws still operated and shaped the course of history.

Third, economic laws are seen to be objective in that they operate regardless of whether men want them to or not, of whether the consequences of economic laws are desirable or undesirable. One can well agree, for instance, that the most progressive thinkers in the capitalist society have sincerely striven to rid that society of its economic crises and unemployment, and they have spun out a great many doctrines of crisis-free development, full employment, and so on. But these doctrines could not be applied in practice because economic laws inherent in the capitalist mode of production are objective.

Although economic laws operate regardless of human consciousness and will, men are not entirely powerless before these laws, because they can understand them and, given the right conditions, use them for their own interests. This can be done only under socialism.

The Possibility of Using Economic Laws under Socialism

The key task of political economy is to study the laws of economic development, for political economy is "the science of the laws governing the production and exchange of the material means of subsistence in the human society".¹⁵

There have, of course, been some knowledge and partial use of economic laws even before socialism, but in the pre-socialist

¹⁵ F. Engels, *Anti-Dühring*, p. 177.

formations the use of economic laws was extremely limited because of the domination of private property in the means of production.

The cognition and conscious use of economic laws in the socialist society becomes of paramount importance. Engels says: "Active social forces work exactly like natural forces: blindly, forcibly, destructively, so long as we do not understand, and reckon with, them. . . . But when once their nature is understood, they can, in the hands of the producers working together, be transformed from master demons into willing servants. The difference is as that between the destructive force of electricity in the lightning of the storm, and electricity under command in the telegraph and the voltaic arc; the difference between a conflagration, and fire working in the service of man."¹⁶

The economic socialist system based on social property in the means of production can function and develop successfully only through the conscious use of economic laws. The use of objective economic laws under socialism is a problem of fundamental importance for the whole of economic activity. A highly simplistic view can be taken of the assertion that after the socialist revolution the working people actually become the true masters of their destiny, for it would be wrong to assume that, the means of production and the political power being in the hands of the working people, action can be taken at will, in defiance of the objective laws of historical development. The well-understandable urge to put an end to age-old backwardness has led people in some socialist countries to take voluntarist decisions and to propound outlandish "leftist" theories, inducing a denial or neglect of the objective economic laws under socialism.

Let us bear in mind that men cannot "abolish" economic laws at will, and that is something they cannot do under socialism either. It is natural that even at the early stages of socialism, the working people would want to have goods distributed in accordance with their needs, instead of their labour contribution, that is, on the principle of distribution according to need, instead of distribution according to work. Let us assume that a decision were taken to start the distribution of goods according to need from 6.00 a.m., the following morning. Even

¹⁶ *Ibid.*, pp. 331-332.

if that were the general desire and the common resolve, could such a scheme be realised in practice? After all, in order to realise the idea, which is an excellent one in itself, there is a need for definite objective conditions: first of all, social production and labour productivity would have to be high enough to ensure an abundance of material and cultural goods. However, this cannot be done overnight, but only through the steady development of the productive forces and improvement of the relations of production. Past experience shows that an attempt to ignore objective economic laws under socialism inevitably results in bad mistakes in economic policy and can produce great disproportions in the economic development of the socialist economy.

When we say that under socialism economic laws are objective we do not imply that this allows people to sit idly and wait passively for the advantages of socialism to be realised, with a steady rise in material and cultural standards, balanced economic development, and so on. One cannot expect to have manna from heaven under socialism either. As in every other society, all the good things in the socialist society are created by the daily labour effort of its members, who can enjoy the fruits of their labour and not be exploited by the ruling classes, as they are under capitalism.

For the first time in history, socialism creates a real possibility of cognizing and making conscious use of the discovered economic laws.

The Marxist-Leninist political economy of socialism differs fundamentally from non-socialist economic schools, because it expresses above all the interests of the working class, which do not contradict but coincide with the objective development of the human society. That is why the Marxist-Leninist political economy has no need to conceal or fudge the facts, as bourgeois economics does. The study of economic laws is by no means an easy process, but, as the socialist relations of production gain in maturity, the political economy of socialism also develops, and the possibilities of using the advantages of the socialist economic system steadily increase.

Socialism also offers fundamentally different conditions for the use of economic laws, creating for the first time the possibility of their conscious and balanced use. After all, the domina-

tion of social property in the means of production produces a community of working people's economic interests, and the important task is to combine these correctly with the interests of the national economy as a whole, so that economic activity should proceed in accordance with the objective economic laws. That is, of course, a formidable task, but the record shows that it is quite feasible. Conscious use of economic laws under socialism is also made possible by the fact that it is an endeavour by the socialist society as a whole. It would be a mistake to think that under socialism economic laws are dealt with only by the top scientists and high-ranking officials. Correctly understood, these laws dictate the logic of behaviour to every single individual: the manager, the engineer, the scientist, the technician, and the rank-and-file worker and peasant.

The Content of the Basic Economic Law of Socialism

The substance of the socialist relations of production is expressed in the basic economic law of socialism, which has the definitive place within the system of the economic laws of socialism, because it expresses the chief cause-and-effect connection in the socialist relations of production.

The necessity of developing production for the well-being of all the members of the society and the free and all-round development of the individual is objectively determined by the productive forces and the relations of social property in the means of production which are proper to the socialist system of social production. The material prerequisites for such development were originally produced by the emergence of large-scale machine industry, which first made it possible to ensure for all the members of the society, by means of social production, not only fully adequate and daily improving material conditions of existence but also full and free development and application of their physical and spiritual capabilities.¹⁷

This potentiality cannot be realised under capitalism because

¹⁷ See F. Engels, *Anti-Dühring*, p. 335.

of the domination of private capitalist property in the means of production and the products of labour. Only with the establishment of social property in the means of production can large-scale machine industry be used for the steady improvement of the living conditions of all the members of the society and for the harmonious development of every individual. At the same time, social appropriation of the means of production and of the products of collective labour gives great scope for the further growth of the productive forces, because it gives the associated producers a stake in the development of production and an increase on that basis of the social wealth which belongs to the working people themselves.

Consequently, socialism not only makes it possible but, indeed, necessary to ensure full well-being and all-round development for every member of the society by means of growing production with the extensive application of scientific and technical achievements. Lenin says: "Socialism alone will make possible the wide expansion of social production and distribution on scientific lines and their actual subordination to the aim of easing the lives of the working people and of improving their welfare as much as possible. Socialism alone can achieve this. And we know that it must achieve this, and in the understanding of this truth lies the whole complexity and the whole strength of Marxism."¹⁸

An analysis of the substance of economic relations between the associated producers helps to bring out the fundamental causal nexus between socialist, above all, the whole people's, property in the means of production, on the one hand, and the development of social production which it determines, on the other.

The basic economic law of socialism which expresses this connection could be formulated as follows: *ensuring ever fuller well-being and free all-round development of every member of the society through a steady growth and perfection of social production.*

The domination of the whole people's property in the means of production necessarily subordinates production, according to

¹⁸ V. I. Lenin, "Speech at the First Congress of Economic Councils", *Collected Works*, Vol. 27, p. 411.

Lenin, to ensuring "full well-being and free all-round development for all the members of society".¹⁹

The basic economic law of socialism reflects the community of the vital interests of the associated producers in their concerted labour, which is determined by social property in the means of production, and which produces a community of aims and unity of action by all the members of the society. The extent to which the well-being and all-round development of the members of the society can be ensured depends on the level of the productive forces and the relations of production, but whatever these levels, at every stage socialist production develops in accordance with the basic economic law. With the growth of the productive forces and the perfection of the relations of production under socialism, the basic economic law operates on an ever wider scale.

The very gist of the socialist and communist system of production is its development for the fullest satisfaction of the requirements of the working masses, but this should not be oversimplified, because it does not imply universal satiety, let alone gluttony, nor does it imply an ever fuller satisfaction of material requirements alone. Socialism and communism alone create the conditions for the all-round development and full flowering of the human personality, and that constitutes the greatest humanism of the new social system.

That is precisely how its basic economic law was described by Marx, Engels and Lenin, the founders of scientific communism. In his *Capital*, Marx said that the human society was developing towards socialism and communism and the establishment "of a higher form of society, a society in which the full and free development of every individual forms the ruling principle".²⁰ It is this "ruling principle" that epitomises the substance of the new society and its basic economic law.

Consequently, in the socialist society, social production is developed for the purpose of raising the well-being of the people and enabling them to develop most fully and freely in every possible way. That is the substance of the socialist society and of the basic law of its economic development.

¹⁹ V. I. Lenin, "Notes on Plekhanov's Second Draft Programme", *Collected Works*, Vol. 6, p. 52.

²⁰ Karl Marx, *Capital*, Vol. I, p. 555.

**BALANCED DEVELOPMENT:
A KEY FEATURE OF THE SOCIALIST ECONOMY**

1. THE LAW OF PROPORTIONAL
AND BALANCED DEVELOPMENT
AND COMMODITY-MONEY RELATIONS UNDER SOCIALISM

Haphazard and Balanced Development

A society's economic development is a historical process which has to proceed in accordance with the basic objective laws of social development. In every social formation, the economic structure of the society must be based on definite proportions in social production, and how these proportions are shaped and social production regulated depends on the socio-economic system, i.e., on the very substance of the socio-economic formation and on the operation of economic laws.

Up to now there have been two basic forms of economic development (resulting from the operation of economic laws): haphazard development and balanced development.

In contrasting the two forms of development, we do not imply that haphazard development does not contain any elements of balanced development, or conversely, that no haphazard elements can appear in the course of balanced development, but when determining the form of economic development it is important to determine which of these is the dominant one, i.e., which is the uniformity in the economic movement. Whatever the social conditions, man has to "plan", i.e., consciously to organise his work and set himself a definite objective: what has to be done, and how. Marx says that "a single man cannot operate upon Nature without calling his own muscles into play under the control of his own brain. As in the natural body head and hand wait upon each other, so the labour-process unites the labour of the hand with that of head."¹

¹ Karl Marx, *Capital*, Vol. I, p. 476.

However, labour is not only a relation with nature, but is also a social relation of production between people.

As the society, the productive forces and the relations of production developed, a social division of labour continuously emerged and was also developed.

Under the primitive communal system there was a natural physiological (functional) division of labour between men and women, between young and old. The first major social division of labour (the separation of the pastoral tribes) and then the second (the emergence of the handicrafts) resulted in a greater interdependence of the various spheres of economic activity. Under feudalism, the social division of labour continued to run a fairly rapid course (by the standards of that period), leading to the emergence of towns, as centres of trade, the development of pottery, glass, luxuries, etc.

Capitalism further intensified the socialisation of production: individual capitals became larger, and the concentration and centralisation of production and capital increased, and by the end of the 19th century this led to the emergence of the monopolies, both national and international. The division of labour both within the enterprises and industries, and between the industries and territorially was markedly deepened. The proportions of social production and the economic ties between the various spheres of economic activity became more diverse and much more complicated.

Spontaneously developing commodity-money relations continue to be the universal form of economic ties between producers under the domination of private-capitalist property. The volume and structure of the commodities coming on the market are determined spontaneously, as each capitalist or group, or association of capitalists strive to maximise their profits and turn out as many commodities as they can, regardless of the society's actual requirements. For that reason, social production under capitalism is regulated spontaneously, by the operation of the law of value through the market mechanism of supply and demand.

At the same time, it is increasingly evident that production under capitalism has a social character and that its development needs to be coordinated under the direct control of the society as a whole, i.e., that there is an ever more pressing need

for the balanced and planned regulation of production. Lenin says: "Large-scale machine industry, unlike the preceding stages, imperatively calls for the planned regulation of production and public control over it."²

Under capitalism, some planned and balanced development can be achieved within the framework of the individual capitalist enterprise, where the capitalist in charge must and can exercise control of the production process and regulate it in a balanced manner.

Under "free enterprise", capitalist entrepreneurs have to operate at their own risk, though every businessman naturally has his own plan of operations, projecting the financial outlays, output, use of hardware, and labour-power, and, finally, the expected profit. Neither the capitalist entrepreneur, nor the capitalist society as a whole can determine in advance how many enterprises will be turning out the same product, what the output will be within a year or two, what the society's demand for a given product will be, how much of it will be sold, etc.

The possibilities of regulating production in a balanced manner are somewhat extended by capitalism's evolution from free competition to monopoly domination, and such regulation frequently covers not only individual enterprises but entire monopoly associations. But because capitalist private property is the basis of the social system, and because the elements of balanced development exist only as islets in a heaving ocean, the trusts have never provided and cannot provide completely planned and balanced development.³

Even capitalist state regulation of the economy has proved to be incapable of effecting balanced development on the scale of social production as a whole, because of the continued domination of private-capitalist property.

However, the point is not only that in the capitalist society it is impossible to anticipate future economic development. What is much more important and definitive is that private

² V. I. Lenin, "The Development of Capitalism in Russia", *Collected Works*, Vol. 3, p. 544.

³ See V. I. Lenin, "The State and Revolution", *Collected Works*, Vol. 25, p. 448.

property in the means of production tends to divide the producers and to involve the entrepreneurs, including the big monopoly associations, in acute competitive fighting.

Under the domination of private property in the means of production, capitalist entrepreneur A can never be sure that his rivals, entrepreneurs B and C, will not start turning out the same product. After all, they are "independent entrepreneurs", and whenever there is a heightened demand on the market for a given type of product, all three entrepreneurs are eager to make it. But what will happen when, after a certain time, the market is saturated with their products? The least competitive entrepreneur will most probably be forced, first, sharply to cut back his production, and then to close his enterprise altogether, leaving his labour force to swell the army of unemployed. These processes are characteristic of capitalist production on the scale of both the industry and the society as a whole.

Consequently, the domination of private property in the means of production under capitalism inevitably results in haphazard development and makes production anarchic. However talented the capitalist entrepreneur may be as an organiser, the economic laws of capitalism make him impotent in the face of the spontaneous play of market forces and the anarchy of production. Private property in the means of production makes it impossible consciously to use economic laws and regulate production in a balanced manner on the scale of the society as a whole.

The need for organising social production in a balanced manner first appears under capitalism, because its development makes production increasingly social, but only the elimination of capitalist property and the establishment of socialist property in the means of production make the balanced development of the whole economy possible.

Under socialism, social production is planned. The socialist society, being the proprietor of the crucial means of production, is in a position to act through the state in reckoning both with the aggregate requirements and with all the available manpower and material resources for production, and this creates the objective conditions for the direct allocation of resources among the industries, economic regions and enter-

prises in the proportions required for the best satisfaction of social requirements.

In other words, *the conditions for the balanced regulation of the proportions of social production are first created under socialism.*

Under socialism, balance and proportionality in the national economy are organically interconnected, for balance means economic relations ensuring interconnections within the social economy under which the various component parts of the universal cooperation of labour are consciously organised for the producers of the aggregate social product and, consequently, imply constant proportionality of all the main economic units on the social scale. Lenin says that constant, deliberately maintained proportionality would, indeed, signify balanced development.⁴

The Essence of the Law of Proportional and Balanced Development

In every socialist revolution the principle task of the proletariat, and of the poor peasants whom it leads, says Lenin, is the positive or constructive work of setting up an exceptionally intricate and delicate system of new organisational relations extending to the planned and balanced production and distribution of the goods required for the existence of tens of millions of people.⁵

With the social property in the means of production under socialism, the national economy constitutes an integral whole in whose development all the working people have a vital stake. *The law of proportional and balanced development of the national economy first emerges and begins to operate only under socialism. It is the domination of socialist, notably the whole people's property in the means of production that makes it possible to develop the national economy in a concerted manner, as an integral whole, by maintaining the proportionality*

⁴ See V. I. Lenin, "Uncritical Criticism", *Collected Works*, Vol. 3, p. 617.

⁵ See V. I. Lenin, "The Immediate Tasks of the Soviet Government", *Collected Works*, Vol. 27, p. 241.

between the various types of production in accordance with social requirements.

The proportions taking shape in the socialist economy under the influence of the whole system of economic laws are diverse. Among them are:

1) General economic proportions applying to the national economy as a whole (correspondence between production and consumption, between the replacement fund and the national income, between consumption and accumulation, between Department I and Department II of social production, between industry and agriculture, and so on).

2) Inter-industry proportions applying to allied industries of production (for instance, ferrous metallurgy and engineering, livestock-breeding and cropping). Virtually every inter-industry proportion is an expression of the interconnection and interaction of a whole range of industries.

3) Intra-industry proportions constituting relations between the various lines of production within a given industry (say, between spinning, weaving and finishing in the textile industry).

4) Intra-production proportions, i.e., the relations between the various shops and sections of production within a given enterprise.

5) Territorial proportions as definite relations in the economic development of the country's regions and districts.

6) Inter-state proportions, which are a fundamentally new type of proportions taking shape in the process of the international socialist division of labour.

These proportions express the relations between the sectors of production in the socialist countries coordinating their economic development.

It is, of course, not right to take a simplistic view of balanced development as the conscious maintenance of proportionality in the socialist economy. After all, there is no set of hard-and-fast proportions within the economy, and nothing like that can ever be expected to exist. The process of economic development is highly dynamic, especially under socialism. Thus, under the impact of the scientific and technical revolution there is a substantial change in the basic proportions of the national economy, a marked alteration in the balance between the various component parts of the productive forces, and deep

changes in the structure of social consumption as well. Altogether new material and spiritual requirements appear in the socialist society as a result of its economic and social development.

One should also bear in mind that the society has a need of not just any set of proportions, but proportions which are optimal, that is, which help to ensure maximum benefit at minimum cost. The system of such proportions ensures not just a balanced economy, but an economy that is balanced in the best possible way in the concrete conditions. *Optimal proportionality alone helps to ensure the highest economic efficiency in social production.*

Let us also bear in mind that balanced development is not just a way of maintaining proportionality in social production, but also characterises a specific type of development of the whole of the socialist society's economic and social life and is necessary for the successful functioning of all the economic laws of socialism and their use for the benefit of the society. Balanced development also creates the possibility and necessity of the planned management of the economy. Finally, it also determines the way in which economic relations and categories, like prices, wages, etc., are regulated.

"Plan or Market": Artificial Dilemma

The balanced management of the socialist economy is, consequently, a problem linked with the problem of using commodity-money relations under socialism.

Even today, some continue to insist that socialism and money are incompatible. Such views have a long history of their own, for utopian socialists, starting with Tommaso Campanella and Thomas More, predicted that there would be no money in the society of the future, because they believed that courts, prisons, galley-slavery, work- and alms-houses, orphanages, in fact, everything that had to do with evil and crime, together with the hatred, mistrust and strife among men, was produced by the monetary system. Money, they said, was the root of all evil.

The utopian socialists were unable to understand that commodity production and capitalism were not identical. Marx says that "the production and circulation of commodities are... phenomena that occur to a greater or less extent in modes of

production the most diverse".⁶ While Engels remarks that in ancient Egypt and Babylon "the law of value has prevailed during a period of from five to seven thousand years".⁷

Commodity production and money will be found in the most diverse modes of production, but they do not determine the character of a social system; indeed, it is the dominant type of relations of production that determines the social content of commodity-money relations and the corresponding economic laws.

The utopian socialists' conceptions of money had a negative effect not only on the theoretical comprehension of the role of commodity-money relations under socialism. They did immensely more harm to economic practice in some countries. In Kampuchea, for instance, the Pol Pot regime tried to introduce an egalitarian system which in practice led to "barrack-room communism", and under which money was declared to be the chief evil; the building of the state national bank was blown up and all money tokens were simply banned. The fatal consequences of that "anti-money" experiment are now generally known.

In their ideological attacks, the adversaries of existing socialism make wide use of the existence of commodity-money relations in the socialist countries: they claim that there can be no socialism in the presence of such relations, so that the Soviet social system is no more than "state capitalism".

Let us recall that similar ideas were propounded by the ideologists of the Second International Karl Kautsky, the émigré Menshevik Tsereteli, Trotsky and many other enemies of Soviet Russia.

After the Second World War, bourgeois propaganda began to plug the "conception" of the revisionist Milovan Djilas, who asserted that state socialist enterprises in the USSR were "state capitalist" enterprises, at which the worker was forced to sell his labour-power and was subjected to exploitation by the party and administrative apparatus, which had degenerated into a "special class".

Far from waning, the ideological struggle over commodity-

⁶ Karl Marx, *Capital*, Vol. I, p. 115.

⁷ F. Engels, "Supplement to 'Capital', Volume Three", in Karl Marx, *Capital*, Vol. III, p. 900.

money relations under socialism is, in effect, becoming more acute and multifaceted. In the recent period, the adversaries of existing socialism have begun to make more frequent use of some reformist conceptions in which plan and market are artificially contrasted. There are now even some theories of a "market socialism" denying the possibility and necessity of the balanced management of the national economy, which is one of the most important advantages of existing socialism.

These conceptions prove to be scientifically untenable as soon as one stops to look at them. After all, it is not the market and the commodity-money relations that are the opposite of balanced development, but haphazard and anarchic development.

Let us note that among those who have joined the ranks of the adversaries of existing socialism are also some "theorists" whose views appear to be antithetical. One group of them attacks existing socialism because it has commodity-money relations, while another wants the socialist economy to be governed by commodity-money relations, and this fact alone casts doubt on the scientific value of their concepts.

However, it is much more important to examine the theoretical principles and the practical use of commodity-money relations under socialism.

Why Commodity-Money Relations Exist under Socialism?

Let us first consider why commodity-money relations exist in a socialist society in which private property in the means of production has been eliminated, and where direct social production reigns undivided. Why are the products of direct social labour produced as commodities?

The basic reason for the existence of commodity relations and the specific features of their content under socialism lie in the fact that socialism is only the first phase of the communist mode of production.

It is important to understand that commodity-money relations under socialism are not rudiments or remnants of capitalism, or its "birthmarks" on the socialist economy. Nor is it a matter of socialist relations of production as such being "immature".

Commodity-money relations exist as an objective necessity not only in the period of transition to socialism, but also when socialism becomes developed and mature.

The reason for which commodity-money relations exist under socialism is frequently seen in the existence of two forms of socialist property: the whole people's and cooperative property. In other words, since there are two proprietors of the means of production (the socialist state and the cooperatives), the exchange between the society and the cooperatives assumes the form of an exchange of commodities. That is right. Yet, the reasons for which commodity relations exist under socialism do not only boil down to the existence of two forms of socialist property. One could assume theoretically that commodity-money relations will continue to exist even when only one form of socialist property—the whole people's property—remains.

The reasons will also be found in the specific features of the whole people's property, of the development of the productive forces, and in the character of labour at the stage of socialism.

Let us consider the whole people's property as represented by socialist state enterprises. There is certainly no doubt at all that its most characteristic feature is that it is integral and homogeneous, but these features are manifested in a peculiar way, through the existence within that integral framework of independent cells and units, namely, socialist production enterprises. Of course, the labour of each enterprise being included in the system of socialist balanced development assumes the form of direct social labour. But at the same time, it is to a certain extent separate within the framework of the given enterprise. Every socialist enterprise has to pay its own way by covering its expenditures from its own incomes. In other words, the socialist enterprise functions economically in the light of the social requirements of the whole socialist economy, while making use of the principle of equivalence in relations with other enterprises.

Because of the specific features of direct social labour under socialism, the results of the labour at the socialist enterprises can enter the sphere of consumption only through the medium of money, that is, through commodity circulation.

Another thing to bear in mind is that labour under socialism is far from being homogeneous (there is skilled and less skilled

labour, mental and manual labour, etc.). The socialist society is still unable to make this labour correctly commensurate in a form other than the value (money) form. At the same time, because of a number of historical factors, labour under socialism has yet to become a vital need of all the members of the society. That is why the socialist state is objectively compelled to use material incentives (wages, bonuses, prices, etc.) to induce the working people to raise their skill standards, and to make more efficient use of reserves in socialist production.

The levels in the development of the productive forces and labour productivity under socialism still fall short of enabling the society to go on to distribution on the principle "from each according to his ability, to each according to his needs".

Distribution according to work under socialism also requires the use of commodity-money relations.

Finally, international economic relations have a growing role to play in the socialist economy. The exchange of products between the socialist and the capitalist countries inevitably assumes the form of commodity exchange, because they have socially antithetical forms of property. International economic relations between the socialist countries involve socially homogeneous but distinct proprietors.

Consequently, commodity-money relations are an essential aspect of the relations of production under socialism, and it would be a big mistake to assert that their existence is connected with the preservation of capitalist elements in the socialist economy.

Commodity-Money Relations and the Law of Value under Socialism

Commodity-money relations under socialism differ radically from commodity-money relations in other social formations. Let us examine the fundamental distinction between commodity-money relations under socialism and under capitalism.

The main feature of commodity-money relations under socialism is that they are based on socialist social property and are a special form of balanced and direct social ties. Under capitalism, with its domination of private property, the commodity producers are divided. For the first time in history, commodity

producers under socialism are united on the scale of the society as a whole thanks to the existence of socialist property.

Under capitalism, commodity production is universal, which means that even labour-power is a commodity, whereas under socialism, the sphere of commodity-money relations is restricted. In the socialist society labour-power cannot be a commodity because the means of production belong to the working people themselves. Factories, plants, state farms, cooperative property, banks and other institutions cannot be bought or sold.

There is also a fundamental distinction in the purposes for which commodity-money relations are used. Under capitalism, commodity production is developed by the capitalists for the purpose of extracting the highest profit. In the socialist society, the socialised production of commodities is aimed to satisfy the requirements of the whole people and to enable each member of the society to develop in every possible way.

The socio-economic consequences of commodity production in the opposite social systems are also antithetical. Under capitalism, commodity production results in a stratification of the society into classes, leads to the mass ruin of the commodity producers, and contains within itself the seeds of inevitable economic crises.

In the socialist society, which develops its economy in a balanced manner, there is no basis for economic crises and no producers are ever bankrupt or ruined.

Capitalism is a system of haphazard commodity production, a system without which capitalism as a social system is itself inconceivable. The haphazard commodity production leaves the scene together with capitalism, instead of being transferred from capitalism to socialism, which is why socialist production is not a system or a type of haphazard commodity production.

Socialism is direct social production which is regulated in a balanced manner on the scale of the society as a whole, instead of by the play of market forces. Under socialism, the main role belongs to state centralised planning, while commodity-money relations are a form of balanced and direct social economic ties between socialist producers. The substance of commodity production under capitalism and that under socialism differ in principle, although they are similar in form.

Under socialism, economic categories connected with com-

modity-money relations (price, cost, profit wages, etc.) are economic instruments which can be governed.

The existence of commodity production *under socialism* signifies that the *law of value is in operation and determines the production and exchange of commodities in accordance with their social value.*

The law of value under socialism is a reflection of several inter-related elements. First, the law of value determines the objective need to reduce individual labour going into the production of commodities to socially necessary labour.

Second, the law of value determines the need for inputs into production to be expressed in the price of the commodity, which is established on the basis of value.

Third, the law of value determines the need for the equivalent compensation of the enterprises' inputs into the production of commodities.

Under socialism, the law of value is no longer a spontaneous regulator of production and distribution of labour-power (as it is under capitalism).

The substance of the law of value can be comprehended only in the context of the overall system of socialist relations of production so as to determine the specific place it has within the system of economic laws operating under socialism.

It is the basic economic law of socialism that above all determines the operation of the law of value under socialism, which means that commodities are not produced depending on whether they are profitable or unprofitable for a given enterprise, but on the extent to which their production meets the requirements of the basic economic law, which is development of social production for the well-being and free and all-round development of the members of the socialist society.

What has been said refers to the general lines on which the law of value is used under socialism. Its operation is different in principle, because it is used by the society in conjunction with the law of proportional and balanced development, i.e., the socialist society uses the law of value for the balanced management of social production.

In other words, a comprehension of the substance and the correct use of the law of value under socialism can help to manage the socialist economy in a balanced manner.

2. SOCIALIST ECONOMIC PLANNING

The Basic Tasks of Socialist Planning

Truly scientific planning is possible only under socialism, and as the socialist relations of production are developed and perfected, socialist economic planning becomes ever more mature and efficient.

Economic planning always has a class character, and under socialism it is effected for the benefit of the working people.

The basic objectives of socialist planning are closely bound up with the very substance of socialist production: it is centred on the interests of the working people and is designed for the all-round development of the individual.

The main task of socialist planning is to create the necessary conditions for the fullest possible satisfaction of the material and spiritual requirements of the members of the socialist society, but this calls for the tackling of a number of other tasks which are ranged in a definite order of priority.

Economic planning is never neutral, and one of its key tasks is utmost support for and development and improvement of the socialist sector of the economy and the boosting of labour productivity. This, for its part, requires the tackling of many tasks, especially the further improvement of the structure of industrial production, the introduction of new hardware and technology, the raising of the working people's professional standard, etc.

The formation of the world socialist system has led to the shaping of an international socialist division of labour, and this has posed before socialist planning the important task of coordinating the national development plans of the socialist community countries.

The substance of socialist planning is also expressed in its basic principles, among which are: the scientific approach, democratic centralism, combination of current and long-term planning and the party spirit.

Let us look at each of these principles in somewhat greater detail.

The Scientific Approach to Planning

Why is socialist planning said to be scientific? The drawing up of the national-economic plan is, of course, the result of subjective human activity, but this cannot be done only on the strength of human will and desire. Let us assume, for instance, that a decision has been taken to raise the working people's living standards by 100 per cent within a plan year. However laudable such a desire may be in itself, it cannot be a realistic or attainable objective, because its attainment requires the existence of the necessary objective conditions: the productive forces and labour productivity developed to adequate levels, proportions in the national economy corresponding to those levels, the required balance between the accumulation fund and the consumption fund, and certain other conditions. Unless these objective conditions are reckoned with, the people's living standards will in fact decline.

In other words, socialist planning cannot be effective unless it is based on scientific knowledge and correct use of the objective economic laws, above all the law of balanced development of the national economy.

Consider again the living standards example. First of all, the formulation of the problem is itself fully in accord with the main aim of the socialist society, which is reflected in the basic economic law of socialism: the utmost possible satisfaction of the constantly growing material and spiritual requirements of the members of the socialist society. Yet, it is not only the aim, but also the ways of achieving it that are important. If the main tasks of socialist construction are to be fulfilled and the conditions created for the all-round development of the individual, the whole economy must develop harmoniously in accordance with the right proportions. That is, indeed, the most important requirement of the economic law of proportional and balanced development. Unless the objectively necessary economic proportions are comprehended, i.e., unless the law of proportional and balanced development of the economy is understood and used with adequate scientific knowledge, grave difficulties are bound to arise in the attainment of the set goal: industrial enterprises will operate intermittently, agriculture will not receive the required supplies of farming machinery and fertilisers, etc. This

is ultimately bound to have an effect on the volume of the national income and, naturally, on the consumption fund, so frustrating the efforts to attain the desired goal of raising the working people's well-being to the planned extent.

Conversely, the law of proportional and balanced development, scientifically understood, helps to provide a scientific backup for the necessary proportions in the economy, and realistic rates of growth for the national income and the consumption fund as the basis for determining with sufficient accuracy how long it will take to attain the set goal. It is the scientific character of socialist planning that helps not only to set the goal but also steadily to advance towards its attainment. In the Soviet Union, for instance, economic planning makes it possible to double the working people's living standards every 10-15 years.

The scientific character of planning is also expressed in the concrete methods used to formulate the national economic plan.

The *balance method* is one of the main methods of socialist planning. The idea of balance is in itself exceptionally simple. Before one gets down to implementing a plan, it is necessary to balance out requirements (needs) and resources (potentialities). Let us imagine, for instance, the logic behind the drafting of the fuel balance for the year ahead. The claims made by various sectors of the national economy (industry, transport, building, etc.) give an idea of the overall fuel requirements (designated as x). The fuel resources for the year ahead include: the planned output (oil, gas, peat, oil shale, etc.), the previous year's reserves, some fuel imports, etc. Let us designate the resources as y . At the very beginning of the plan drafting, requirements as a rule tend to exceed the potentialities (resources), i.e., $x > y$. The problem of drawing up the fuel balance comes down to making x and y equal. One naturally starts by looking for ways to increase output (in this case, the extraction of fuel) by raising labour productivity, putting new coal pits and oil wells on stream more swiftly, and so on. The possibility of fuel substitution is also studied. Finally, the advisability of increasing the import of some types of fuel from other countries is examined. In this way, the realistically potential reserves for the plan year are established, i.e., y is determined. It is now necessary to bring x (requirements) and y (re-

sources) into correspondence with each other. Unless other possibilities are available, the claims put in by the individual sectors of the national economy are reduced, because a scientifically balanced economy proceeds from the ineluctable and strictly observed rule that our desires (requirements) should be completely in accord with our potentialities and resources. Other scientific methods are also used in national-economic planning.

One of these is the *variant method*. When plans are drawn up, several variants are frequently drafted, with dissimilar end results in terms of the mix of capital investments, use of manpower resources, and technical equipment. An analysis of these variants helps to select the one which best meets the concrete tasks of the development plan.

The *normative method* is also widely used in socialist planning. When the production of various types of products is planned, it is highly important to establish scientifically grounded norms for the consumption of raw materials, energy, equipment, labour-power, etc. In the capitalist society, these "norms" take shape spontaneously in the course of bitter competitive struggles between entrepreneurs. The responsibility of planning bodies under socialism is very much higher, because they have to produce scientifically grounded—and not arbitrary—norms of production and consumption for the various sectors of the economy.

The *analytical method, or the method of synthesis* is also very important in the drafting of national economic plans. What is the gist of this method? Let us assume that we are faced with the task of determining maize yields for the year ahead, while the previous year's per-hectare yield came to about 40 centners. Our purpose is to increase the yield in the year ahead. This can be planned through the scientific use of the analytical method. Crop yields are known to depend on the most diverse factors: the quality of seed, the quality of sowing, the quality of soil cultivation, the quantity of fertilisers, the timely harvesting, etc. One could say that in a sense we break down the overall problem—"crop yield"—into its component parts and try to analyse whether one or more, or even all the factors could be so altered as to increase the crop yield. Let us say that we have discovered that an improvement in the seed stock and an increase in the volume of chemical fertilisers can help to in-

crease the yield per hectare by an additional 10 centners, while the effect of other factors could bring in another 5 centners. We can now draw the conclusion (synthesis) that the crop yield for the year ahead could be planned at 55 centners per hectare, instead of the 40 centners.

Other methods are also used in the practice of socialist planning, but there is no point in listing them all. The thing to emphasise is that they are all based on the use of the latest advances in various sciences: mathematics, statistics, cybernetics, agronomy, etc.

The scientific character of socialist planning naturally implies a high professional standard among the specialists directly engaged in working out and implementing the national economic development plans. After all, planning is the central element of the whole system of socialist economic management, which is why Lenin says that management necessarily implies competence, a precise and thorough knowledge of all the conditions of production and the latest techniques used in that production, together with a certain standard of scientific training.⁸

But it would be a mistake to assume that planning is the business of the top scientists and leaders alone. Economic knowledge dictates the logic of behaviour not only to the manager, the engineer or the scientist, but to each and every rank-and-file working person. It is perfectly obvious that the efficiency of planning largely depends on the extent to which economic laws are comprehended and correctly applied. That is why the socialist countries have an extensive system of economic education both for managerial personnel and for the working people at large.

Democratic Centralism

Democratic centralism is an important principle not only of socialist planning, but also of the entire system of socialist economic administration and management. It consists of two concepts: "centralism" and "democracy". Let us first consider why there must be centralism in socialist economic planning and administration.

⁸ See V. I. Lenin, "Speech Delivered at the Third All-Russia Congress of Water Transport Workers", *Collected Works*, Vol. 30, p. 428.

Lenin drew attention to the fact that every large-scale machine industry requires greater centralism. He said: "Large-scale machine industry—which is precisely the material source, the productive source, the foundation of socialism—calls for absolute and strict *unity of will*, which directs the joint labours of hundreds, thousands and tens of thousands of people."⁹

Let us also note that Lenin had in mind "large-scale machine industry", which means that centralisation is an objective imperative even under capitalism. It is highly characteristic that this tendency towards centralisation is most pronounced even today at the level of the large monopoly associations, whose governing boards, i.e., their "headquarters", take centralised decisions on all important investments, technological policy, new technology, new models, new products, and all other similar matters.

The need to centralise economic planning and administration is even more imperative under socialism, for that is where socialist, i.e., collective, property in the means of production originates. It is the existence of the whole people's property that makes it possible to plan and administer the economy from a single centre. However, under socialism it is not just a possibility but an objective necessity.

The fundamental strategic decisions on the basic national-economic proportions and a coherent policy of technical progress, capital investments, prices, and wages have to be taken at one centre. The provision of resources for accelerated national income growth, for the technical training of manpower and many other problems need to be solved in a centralised way. There is good reason to define socialist planning as centralised planning, and the possibility of planning the development of the national economy from a single centre is a tremendous advantage of the socialist economic system.

Centralised economic planning and administration should, however, have nothing in common with bureaucratic practices or petty regulation. (Incidentally, the contemporary capitalist economy provides a great many examples of growing bureaucratic practices under so-called decentralisation of various economic and administrative agencies.)

⁹ V. I. Lenin, "The Immediate Tasks of the Soviet Government", *Collected Works*, Vol. 27, p. 268.

Centralism is only one aspect of socialist planning. Socialism alone makes it possible to blend centralism with genuine democracy for the working people, which is why democratic centralism is one of the key principles of socialist planning. In March 1918, Lenin wrote: "Centralism, understood in a truly democratic sense, presupposes the possibility, created for the first time in history, of a full and unhampered development not only of specific local features, but also of local inventiveness, local initiative, of diverse ways, methods and means of progress to the common goal."¹⁰

The enterprise (or production association) is the basic unit of the socialist economy, each with a measure of economic independence. Democratic centralism envisages the rational allocation of tasks in planning between the central planning bodies and the enterprises. Only the main tasks and guidelines of development are formulated at the central-plan level, it being left to each enterprise how best to implement them, and this gives every working person ample opportunity to display resourcefulness.

It would generally be highly naive to conceive of centralised planning as an avalanche of instructions from the centre laying down what has to be done every minute and hour of the day or week. Such a system of planning would make economic development altogether impossible.

When saying that socialist planning is democratic, we have in mind above all the massive participation of the working people in it.

Let us consider, however briefly, how the plan is worked out. The earliest draft of the plan for an enterprise is produced by its collective, with virtually all the working people taking part in discussing it. Numerous proposals and remarks are made at the meetings called by party, trade-union and Young Communist League organisations of the enterprise and at production meetings. Only after every aspect of the draft plan has been discussed at the level of the enterprise (or production association) is it sent on to the ministry, which can, of course, make amendments to the draft plan, because it has more information about overall technological policy and the latest scien-

¹⁰ V. I. Lenin, "Original Version of the Article 'The Immediate Tasks of the Soviet Government'", *Collected Works*, Vol. 27, p. 208.

tific and technical advances in the given field, and also has at its disposal additional funds. The ministry compiles the draft sectoral plan and sends it on to the central planning agency (state planning committee or commission). That is where the consolidated draft plan for the development of the national economy is made up.

The drafting of a five-year development plan takes months, and it is a key feature of socialist planning that while the plan is being drafted, it is also being discussed by the whole people across the country. The working people of town and country are most immediately involved in discussing the draft plan, with newspapers and journals carrying articles and other items on a wide range of proposals. Radio and television also act as a mass rostrum for the working people. Consequently, plan drafting in the socialist countries is not the business of a handful of "technocrats", but is the collective creative effort by the working masses themselves, which is why socialist planning is democratic, as it is not and can never be under capitalism.

Once the draft plan has been discussed and common approaches found, sometimes in the course of sharp and prolonged discussion, it is submitted for approval by the country's legislative body, the parliament. Its enactment by the parliament gives it the force of a law, which means that the plan targets become binding and have to be scrupulously fulfilled. In other words, one of the most important principles of socialist planning is that it is *directive, i.e., mandatory*.

The adversaries of socialism have tried in various peculiar ways to interpret the mandatory character of socialist planning. Their reasoning has run on roughly these lines: plans drawn up in the capitalist countries are not binding on anyone, which is why they are more democratic. The socialist countries' economic plans are undemocratic and even "totalitarian", because socialist planning is centralised and mandatory. But these are very flimsy arguments indeed. Everyone knows that the programming of the capitalist economy is indicative, i.e., optional. But what has that got to do with democracy? The point is: whose interests are served by capitalist "planning"? Is it the interests of the majority of the working people, or the self-seeking interests of the financial oligarchies? Indeed, the drafting of the "plan" in the capitalist countries is itself far from democratic.

What is so "democratic" about ignoring the opinions of the working people? The "plan" itself is drafted by a handful of specialists doing the will of monopoly capital.

Socialist planning is totally different. It is democratic not only because the working people take part in drafting the plan. The democratic character of socialist planning is also manifested as the plan is being fulfilled. The approved plan, whose fulfilment has been made a law, becomes mandatory and is passed on by the central planning agency to the enterprise. Eventually, the enterprise collective receives the plan which its members have already discussed and which is a reflection of their proposals and remarks. That is what determines their attitude to the plan and to the fact that it is binding. The period of broad discussion has passed, and the time has come to get down to realising the plan.

Long-Term and Current Planning

The combination of long-term and current planning is a principle of socialist planning.

Nowadays, it is utterly impossible to have the national economy develop proportionally and harmoniously without a plan ranging over a relatively long period, like ten, fifteen or even twenty years. The long-term plan cannot, of course, provide for all the details, and it is perhaps more of a socio-economic programme reflecting the basic trends of the country's development over, say, the decade ahead. There are many reasons why such a programme has to be drawn up.

For one thing, it is highly important to know the stages and ultimate goal of any advance-movement, and it is even more necessary in the construction of socialism. As it develops, socialism passes through a succession of stages, and when any economic decision is taken; it is highly important to reckon not only with the degree of maturity of the socialist relations of production at the given stage, but also to have a clear view of the prospect. To give one example: the profitability of a given enterprise can be determined if one has an idea, however general, of its place in the national economy within 10 or 15 years.

The rapid scientific and technical progress in the modern world also makes it necessary to have a long-term prognostica-

tion. Current economic planning can be effective only if the basic trends of the scientific and technical revolution are correctly determined over the immediate decades ahead. After all, when planning changes in the structure of the national economy, it is exceptionally important to decide which sectors of industry and agriculture are more promising and what kind of technology will determine the whole character of production within several decades.

Energy, the ecology and food are among the problems which have been under discussion in all the countries of the world in the recent period. The methods used to tackle these problems in the capitalist and the socialist countries are, of course, fundamentally different. Under socialism, they are tackled as a complex and solved in a balanced manner, but if this is to be done, there is also a need to have a sufficiently clear view of development ranging over a fairly long period.

The role of the international factor has been growing very rapidly over the past several decades. In the present conditions, no single country can hope to carry on autarchic economic development, that is, in complete isolation from other countries. The drawing up of a long-term prognostication plan is also made imperative by the problems arising in international economic cooperation, especially within the framework of the international socialist division of labour. The five-year plan is the basic form of socialist planning, because it is not a mere prognostication but a sufficiently well-elaborated and scientifically grounded document and a key instrument of effective planning.

One has to take into account, however, that a socio-economic development plan covering five years cannot make exact provision for some factors. It is difficult, for instance, to determine how favourable the weather will be for farming in this or that year. Nor is it possible exactly to anticipate the changes in the international political situation and economic outlook, especially on the world capitalist market. These and other factors certainly have a marked influence on a country's economic development.

As the five-year plan is being fulfilled, difficulties may also arise for subjective reasons, e.g. disproportions in some sectors of the economy resulting from mistakes in planning. In order to make planning more flexible, the five-year plan is broken down

into current plans for each year of the period. The break-down of the plan by years makes it possible to compensate some short-fall in the fulfilment of plan targets in one year by faster development in the following years. In other words, the annual plans give some scope for manoeuvring within the five-year-plan period. But the main thing is that by the end of the five-year period, economic development should be close to the anticipated levels.

Consequently, the combination of long-term and current planning produces a coherent and effective system: the long-term programme (10-15 years) is subdivided into five-year periods, and each five-year period, for its part, consists of current annual plans. Besides, the annual plan is itself broken down into quarterly and monthly programmes. At the level of each enterprise, these programmes take the form of concrete production assignments for every day and week. Such a system makes it possible to exercise constant *control over the implementation of the plan*.

Capitalist economic programming being indicative, it does not actually go beyond the framing of the "plan". By contrast, socialist planning is characteristically coherent at every stage of the planned management of the economy: the framing of the plan, its realisation, and control of its realisation. Under socialism, all the types of planning activity are carried on simultaneously: the approved plan is being realised, constant control is being exercised over the progress in its realisation, while the new plan is being worked up.

3. PARTY GUIDANCE OF THE SOCIALIST ECONOMY

The Political (Party) Approach to Planning

The following question is sometimes asked: does not the political approach to planning as a principle contradict the well-known Marxist proposition concerning the primacy of economics (economic basis) with respect to politics (political superstructure)? Let us recall at this point that the economics-politics relation was the subject of bitter inner-party discussion in the USSR back in the 1920s. In the polemics against diverse opportunists and revisionists, notably Bukharin and Trotsky, Le-

nin brilliantly demonstrated that the contradiction was an imaginary one.

Marxists have always taken the view that economics exerts the crucial influence on the whole of the social superstructure—politics, ideology, law, art and ethics—in the sense that all the forms of social life are ultimately determined by the economic conditions in which people live. Another Marxist tenet is that politics is the most direct reflection of the society's economic system, the economic interests of classes, and the cardinal and substantial aspects of economic relations. That is why Marxists regard politics not just as a reflection of economics, but as its concentrated expression.

However, the truly scientific view of the economics-politics relation is not confined to declaring economics to be primary and politics secondary. Economics and politics are in close interaction with each other: politics (like other spheres of the superstructure) not only reflects the most essential features of economics, but for its part exerts an active influence on economic development. Considering a more concrete problem, say, how economic policy is expressed in the national-economic plan of economic and social development, one comes to realise the obvious need to take an approach to its tasks primarily from a political standpoint. This exceptionally important aspect of the economics-politics relation was formulated by Lenin as follows: "Politics is a concentrated expression of economics. . . . Politics must take precedence over economics." Elaborating on this idea, Lenin stressed that in the unity of politics and economics, primacy belongs to the political (party) approach, as compared with the economic approach, adding that "you forget the ABC of Marxism when you say (or imply) that the political approach is equivalent to the 'economic'" and that "without a correct political approach to the matter the given class will be unable to stay on top, and, consequently, will be incapable of solving *its production problem* either".¹¹ It is wrong, therefore, to confuse two different concepts: economics is primary with respect to politics from the standpoint of the concept of socio-economic formation, i.e., when one deals with economics

¹¹ V. I. Lenin, "Once Again on the Trade Unions, the Current Situation and the Mistakes of Trotsky and Bukharin", *Collected Works*, Vol. 32, pp. 83, 84.

as its basis; but when it comes to tackling concrete economic tasks and conducting economic policy at this or that stage, primacy (priority) belongs to politics.

Economic planning is a key instrument in the pursuit of economic policy by any state, whether capitalist or socialist, and the practice has already exploded the bourgeois "theories" that planning can be "neutral", that it can proceed from positions over and above class, and over and above the class interests of the various social forces and the political parties representing them. A definite social policy and class approach designed to make the propertied class even richer and to get the working people to absorb the costs of economic development will be discovered behind an apparent social neutrality in every plan produced by the capitalist state.

Socialist planners have no need to conceal their clear-cut political (party) approach. National economic planning is closely bound up with the party's whole activity in building a socialist and then a communist society. That was the attitude taken by Lenin to the GOELRO,¹² the first economic development plan in history, which he described as the plan for socialist construction in Soviet Russia, as the party's second programme. The early Soviet five-year plans also set clear-cut political tasks: the triumph of the socialist sector in the multi-sectoral economy; socialist industrialisation and socialist transformations in agriculture; the build-up of the material and technical basis of socialism, and the Soviet people's growing well-being on that basis. The national-economic plan being the instrument of the economic policy of the ruling party and the socialist state, it is designed to ensure rising living standards for the working people and all-round development for every member of the socialist society.

The political (party) approach to socialist planning is concretely expressed in the fact that the party determines the main socio-economic tasks (guidelines) for a given planning period and directs all the work in framing the national-economic plan as a whole and its constituent parts. That is why in the Soviet Union and other socialist countries, draft national-eco-

¹² The acronym for State Plan for the Electrification of Russia, adopted in 1922.

conomic plans are examined at plenary meetings of the Central Committees and at party congresses.

The political (party) approach to socialist planning also means that a party, state-wide, instead of a narrowly local or departmental, approach should be taken to the solution of any economic problem.

In everyday economic activity, the interests of the individual enterprise or industry may run into contradiction with those of the whole state. Assuming, for instance, that for years a state enterprise has been successfully turning out a type of product. Everything appears to be going well: the technological process has been adjusted and is running smoothly, everyone knows what he is doing, the plan is being overfulfilled, and the enterprise keeps making considerable profits. But life does not stand still, and new social requirements tend to arise, thus producing the need for making a different product on a new technological basis. It is, of course, no simple matter for any enterprise to effect such a switch, because it is much easier to go on working the old way, making use of the habitual techniques. That is something one can well understand. But in order to switch to the new technology and start turning out the new product, there is a need for intricate organisational and technological restructuring, additional efforts and much expenditure of energy. No wonder some executives in industry facing such a situation keep trying to turn out the old product, which is no longer in demand. That is when the interests of the enterprise, or more often the personal interests of the individual executives run into contradiction with the interests of the state and of the whole people.

Consider yet another example. When the plan for the development of a district or region is worked out, the local people could have a natural desire to build their own repair plant, although there is a bigger and more modern plant in the neighbouring region. However, that would be local interests prevailing over the interests of the state to the detriment of the latter.

The party approach to national economic planning is, in effect, aimed to prevent the expression of conservative and narrow local interests, and to view all the matters of planning from the standpoint of the people and the whole state.

*The Party's Leading Role
in Developing the Socialist Economy*

Guiding economic processes, formulating economic policy and implementing it are the main aspects of the party's transformative revolutionary activity once the working class wins political power. *The party's economic policy is a set of scientifically grounded ideas and propositions, strategic and tactical objectives in economic development, and purposeful action by means of which the party exercises its guidance of the economy.*

Let us note that one can now hardly find an influential political party anywhere in the world that has not tried to formulate its basic objectives in economic policy, but it is perfectly obvious that the economic policies of the ruling parties in the countries of existing socialism differ fundamentally from those of the bourgeois parties. For one thing, they have a different class content, and so also differ in objectives and methods used to attain these. In the socialist countries, the parties' economic policies express the vital interests of the working class and of all the other working people, and this alone enables the parties to involve the socialist state, social organisations, work collectives, and all the strata and groups of the socialist society in the practical implementation of economic policy. Indeed, that is one of the "secrets" of the socialist countries' economic achievements, although bourgeois sociologists and political scientists cannot—or will not—understand why the USSR, once a backward country, took only a short historical period to develop into a powerful state.

Another distinctive feature of the parties' economic policies in the countries of existing socialism is that they not only formulate the strategy and tactics of these countries' economic development, but also direct the implementation of these policies. The economy can be directed only under socialism, when the basic means of production are converted into the working people's own social property, but that is an exceptionally responsible and difficult endeavour.

Bourgeois critics of existing socialism frequently attack the CPSU and the other ruling parties of the socialist countries precisely for their guidance of the economy. There is no doubt

that here as well the role and activity of the bourgeois parties in the capitalist countries and of the ruling parties in the socialist countries differ in principle. In the capitalist society, the ruling parties are neither inert nor neutral with respect to economic development. They not only formulate economic programmes, but try to exert an influence on the entire course of economic development through the medium of bourgeois institutions (the state, parliament, etc.). For all practical purposes, that signifies their urge to "direct" the economy. It is quite another matter that their economic programmes and "plans" most frequently remain a "catalogue of futile hopes". That is so because, as in the past, capitalist economic development continues to be haphazard and antagonistic, despite the attempts to use some purposeful and well-intentioned elements. Indeed, no ruling bourgeois party ever says in so many words in its economic programmes or electoral slogans what exactly it intends to do to combat the inevitable concomitants of haphazard economic development: economic crises, the growth of unemployment, and inflation. Nor is that certainly because the bourgeois ruling parties do not want to "direct the economy", but because, whatever their desires, they cannot hope to do so.

In contrast to capitalism, which "no one builds" and which develops spontaneously, the socialist society has to be created consciously and in a balanced manner, i.e., "built". In other words, once the socialist revolution has triumphed, the working class party has to assume the onerous but noble creative function of directing the economic policy of the socialist state. The ruling party's economic policy has the crucial role to play for a number of inter-related reasons.

Let us recall that economic policy is a concentrated expression of the economic substance of the socialist society and of its economic basis, i.e., the system of socialist relations of production. In the period of transition from capitalism to socialism, the party's economic policy is designed to overcome the haphazardness of social development and to help socialism triumph in every sector of the national economy.

As existing socialism develops, there is a steady growth of the ruling party's leading role in guiding the socialist economy, and that for many objective reasons. The dynamism of the

socialist society's development, above all its fast economic pace, expands socialist production to a qualitatively new scale.

The economic potential of, say, the Soviet Union nearly doubled over the past decade, i.e., in the 1970s. Directing an ever more mature and simultaneously ever more diversified economy obviously presents an increasingly complicated and responsible task. To conjugate the achievements of the scientific and technical revolution with the advantages of the socialist economic system has become one of the key tasks of the party's economic policy. It is also important to take into account that the Soviet people, having attained the stage of mature socialism, are now engaged in a deep restructuring of economic development as well. Extensive factors of development (increases in output through the construction of new enterprises with a simultaneous involvement of new contingents of the working class) were largely characteristic of the earlier stages of the USSR's economic history, but attention is now centred on intensive factors: boosting labour productivity by means of the latest hardware and technology, and enhancing the quality of workmanship and the efficiency of production.

Each socialist country's economic ties within the framework of the international division of labor, above all in the economic cooperation with other socialist community countries, tend to become immensely more profound and multifaceted.

Consequently, some factors tend to increase the role and responsibility of the socialist countries' ruling parties in formulating and implementing economic policy.

The party's economic policy has the definitive role with respect to the other spheres of social activity because its results have a direct impact on the living conditions of all the social groups and strata of the socialist society. Material production is the basis of the society's whole life, because on economic development depend not only the working people's material conditions (the growth of material well-being, provision of housing and jobs, medical care, etc.), but also their spiritual life: rational use of leisure time, the rise of the general educational and cultural standards of the members of the socialist society, their certainty in the morrow, their children's future, and so on.

Bourgeois ideologists deliberately "forget" this cardinal as-

pect of the party's direction of economic policy: it is a policy that has yielded concrete and tangible results for every stratum of the population in the socialist society both in material and in spiritual consumption. Economic policy in the countries of existing socialism expresses the working people's vital interests and is aimed at creating all the necessary conditions in which every individual is able not only to raise his material standards of well-being, but also to develop as a personality.

What Is Party Guidance of the Socialist Economy?

In the socialist countries, the ruling political parties are the governing and guiding force of the socialist society.

The ideological adversaries of Marxism-Leninism have tried to present this important uniformity of socialist construction in a totally distorted light, so that the inexperienced may well come to imagine that existing socialism is some kind of monstrous thing. The socialist countries are said to have "totalitarian regimes", even according to some university textbooks written by "eminent" bourgeois professors. Others claim that the party has allegedly usurped the whole of power in economic decision-taking, so that there is no democracy at all under socialism, with nearly every worker being prodded and controlled by some "party functionary", and so on. The actual producers in the socialist society are left with a very passive role, and they are depicted as a mute and inert crowd that will do nothing without orders from above.

It is hard to say whether these inventions have been motivated by blind hatred for existing socialism or by the lack of elementary, not to say special, knowledge about the functioning of the socialist economy.

But what is then the party's guidance of the socialist economy?

To begin with, there is a clear-cut demarcation of the functions of party, state and social organisations within the political system of socialism, and in the economic sphere the party exercises its leading role without in any way substituting for the state or for the social organisations.

One of the basic lines of the party's direction of the economy is that economic policy, strategy and tactics are formu-

lated by the party, which proceeds from the assumption that only a scientifically grounded economic policy can be effective and efficient. The theoretical principles of economic policy are formulated on the strength of a comprehensive scientific analysis of the objective conditions and a summing-up of past experience.

But economic policy does not boil down to a mere theory of economic development. Economic conceptions need to be translated into practical actions, and that is why the party formulates a programme for the most important practical measures in economic development to regulate the political relations between the social classes, strata and groups of the socialist society in the process of their collective activity. Finally, economic policy also contains within itself such an important element as the concrete activity of the party, the state, the social organisations and all the working people's collectives, which is aimed to realise the party's economic strategy and tactics.

At every stage in the development of socialism, the party's economic policy, strategy and tactics are embodied above all in the long-term and current national-economic plans, which makes the plan the chief instrument in realising the party's economic policy.

Let us take a closer look at the party's guidance in this sphere.

Party congresses, the highest level of party authority, approve the directives, or guidelines, of economic development, so defining the main tasks and the key parameters of the plans. Those are the documents which embody the principal theoretical conceptions of the country's economic development and the crucial measures for realising the party's economic strategy and tactics.

But it would be wrong to draw the conclusion that the party is directly involved in national economic planning.

Plans are drafted by the state planning agencies, which are directly responsible for framing them in accordance with the directives, or guidelines, of economic development, approved by the party congress. But before the draft of, say, a five-year plan is enacted into law at a session of the country's parliament, it is, as a rule, put before the whole people for discussion. Every citizen in any part of the country can make known his opin-

ion of the decisions and measures to be taken and submit relevant proposals for their improvement in writing to party and state agencies, social organisations, and the editorial offices of newspapers and journals, television and radio, or speaking out at meetings expressly held for the purpose.

Consequently, the formation of economic policy and, in particular, of economic development plans under socialism is not the business of a handful of political leaders or "technocrats", but results from the creative activity of millions of working people consciously building the new society.

The party carries on multifaceted activity not only in formulating economic policy, but also in its practical implementation.

The party exercises political guidance of state and social organisations. It mobilises the masses for translating its economic policy into life, but does not achieve this either by resorting to force or by administrative fiat. It does so through the power of persuasion, each party member's personal example, constant concern for the people's political education and development of socialist democracy, actively combating bureaucratic practices, breaches of state and labour discipline, and any cases of mismanagement and waste. For that reason, successful realisation of its economic policy largely depends on the extent to which party organisations are able to blend political and economic work. In practice this means that in the socialist society economic executives act not only as managers, but also as political educators of the masses, relying in their activity on social organisations and above all on party organisations, while working under their control.

Primary party organisations, which are directly involved in tackling all the key socio-economic tasks, have an exceptionally responsible role. They exercise control over the economic activity of enterprises and departments, and effectively influence the efforts to fulfil state plans, to fulfil commitments, and other aspects of the society's economic life.

The party's economic policy is profoundly popular and democratic, because the party formulates ideas and objectives of economic development which reflect the working people's vital interests. The party brings out, elaborates and puts the finishing touches to the ideas and proposals originating in the

midst of the people, which are ideas and proposals the broadest strata of the people are prepared to accept as their own.

The party's direction of economic development is assured of success by the party's daily reliance on the resourcefulness of the masses. The policy of socialist construction has shown that Lenin was right when he said that "socialism cannot be decreed from above. Its spirit rejects the mechanical bureaucratic approach; living, creative socialism is the product of the masses themselves."¹³

We find, therefore, that the party's economic policy is closely bound up with the practice of socialist democracy, which Lenin saw as the combination of political and economic power in the hands of the people. The experience of existing socialism also shows that Lenin was right once again when he said that "as man's history-making activity grows broader and deeper, the size of that mass of the population which is the conscious maker of history is bound to increase".¹⁴

¹³ V. I. Lenin, "Meeting of the All-Russia Central Executive Committee, November 4 (17), 1917", *Collected Works*, Vol. 26, p. 289.

¹⁴ V. I. Lenin, "The Heritage We Renounce", *Collected Works*, Vol. 2, p. 524.

DISTRIBUTION AND CONSUMPTION UNDER SOCIALISM

1. FROM EACH ACCORDING TO HIS ABILITY,
TO EACH ACCORDING TO HIS WORK:
THE FUNDAMENTAL PRINCIPLE OF SOCIALISM

*Distribution under Socialism and Capitalism:
the Basic Difference*

In every socio-economic formation, the distribution of material and spiritual values is determined by the dominant form of property in the means of production and by the relations which are established between human beings directly in the process of production. In other words, distribution is effected above all for the benefit of those to whom the means of production belong.

In the capitalist society, the basic means of production are the private capitalist property of the bourgeois class, so that the relations of distribution ensure the enrichment of that class, while the working people are left with only a part of the values they themselves have created, and with the smaller part at that. There are rigid limits to the share of the product which goes to the working people, notably the working class: it never exceeds the value of the labour-power.

The whole spectrum of production relations, including the relations of distribution, is fundamentally altered under socialism with the establishment of socialist property in the means of production. "From each according to his ability, to each according to his work" is the fundamental principle of the socialist society, and it is a principle which integrally mirrors the two spheres of economic relations: relations in the sphere of actual production, and the relations of distribution.

"From each according to his ability" means that the conjunction of labour-power and the means of production is direct

and immediate, that production is geared to the satisfaction of the working people's constantly growing material and spiritual requirements, and to the all-round development of the individual, and that the relations established in the socialist society are those of cooperation and mutual assistance, free from man's exploitation of man. Otherwise it would have been impossible to practise the "from each according to his ability" principle. Indeed, the basic distinction between socialism and capitalism in the relations of distribution is determined by the totally different economic relations of direct production under socialism, and the market-mediated production under capitalism.

Since the means of production under socialism belong to the working people themselves, the material and spiritual values they produce are placed at the disposal of the society as a whole, and are distributed for the benefit of the working people. In accordance with the substance of the basic economic law of socialism, distribution is effected for the fullest possible satisfaction of the people's constantly growing material and cultural requirements.

Under socialism, the relations of distribution, like the other relations of production, do not develop spontaneously, but under a plan, i.e., in accordance with the operation of the economic law of proportional and balanced development.

The distribution of the national income likewise brings out the basic difference between the relations of distribution under socialism and under capitalism. In the socialist society, the newly created value—the national income—consists of a "product for oneself"—the necessary product, and a "product for the society"—the surplus-product. Yet, under socialism, there is no longer any antagonistic contradiction between the necessary and the surplus-product as there is under capitalism, because the working people's share of the distributed product is no longer determined by the value of the labour-power, but by the level to which the productive forces have been developed under the socialist relations of production. Under socialism, not only the "product for oneself", but also a part of the "product for the society" goes to the working people for their personal consumption, since everything in the socialist society depends on the share of the product it can afford to allocate for and distribute among the working people at the given stage

of its development. The thing to bear in mind is that the socialist society is unable to let the working people have all the values produced for personal consumption, because some of them are means of production which the society needs both to replace the used-up means of production and to expand production. Besides, the society has to use a part of the material stocks to build housing, cultural and everyday facilities, to provide maintenance for the old and the disabled, and the institutions in the non-production sphere, to build up reserves and to provide for the country's defences.

Consequently, the actual distribution of the product between the working people takes place only after the required social funds have been constituted. However, it would be wrong to regard the working people's individual consumption fund as a kind of residue. That fund is, after all, not established arbitrarily, for its size is an objectively necessary and definite magnitude, because the reproduction of labour-power is also an objective necessity in the socialist society. Moreover, individual consumption under socialism is not confined to the articles of consumption required for the reproduction of labour-power which is only the lower limit of the people's consumption in the socialist society, because here spiritual values constitute a much larger share of personal consumption than they do under capitalism, and without the consumption of these, it is impossible to attain one of the key objectives of socialism: the all-round development of the individual.

There can be no parasitic distribution in the socialist society because it has no exploiters and is based on the "he who does not work neither shall he eat" principle. Equal pay for equal work, regardless of sex, age, race or nationality, is one of the cardinal gains of socialism.

It is common knowledge that in the capitalist countries women and teenagers are paid less than men for doing the same jobs, and that racial and national discrimination in wages is also common practice.

The Economic Law of Distribution According to Work

In the socialist society, the main part of the articles of consumption has to be distributed in accordance with the quan-

tity and quality of labour which each member of the society puts into social production, as otherwise socialist production cannot proceed normally and its goals cannot be attained.

The Marxist classics anticipated the objective necessity of distribution according to work under socialism. Thus, considering distribution in the socialist society, Marx says in his *Critique of the Gotha Programme* that "each individual producer receives back from society—after the deductions have been made—exactly what he gives to it", and that in distribution under socialism "the same principle prevails as in the exchange of commodity-equivalents: a given amount of labour in one form is exchanged for an equal amount of labour in another form".¹ Lenin repeatedly stressed the need to practise under socialism the principle of "for an equivalent quantity of labour, an equivalent quantity of product".

Since distribution according to work in the socialist society expresses an objective necessity, and since that objective necessity does not relate to some particular aspect, but is one of the more general and essential aspects of the relations of production, it operates as an economic law of the socialist society, and is known as *the law of distribution according to work*. It is expressed in the distribution of material and spiritual values in direct proportion to the quantity and quality of labour expended by the working people for the society, and in the provision of equal pay for equal work, regardless of sex, age, race or nationality.

One may well ask: why is distribution under socialism effected according to work, instead of need? The fact is that the level to which the productive forces and the socialist relations of production have been developed still falls short of allowing distribution according to need.² Socialism assures all the members of the society of socio-economic equality, which consists in their equal status with respect to the means of production, in the absence of man's exploitation by man, in the equal right to work, and the equal duty to work for the society

¹ K. Marx, "Critique of the Gotha Programme", in: Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 3, pp. 17, 18.

² See V. I. Lenin, "The State and Revolution", *Collected Works*, Vol. 25, p. 471.

according to one's abilities, and in the provision to all the working members of the society of their share of the social product for personal consumption, depending on the quality and quantity of their labour inputs.

Let us note, however, that socialism does not do away with inequality in the satisfaction of human requirements. Human beings differ from each other in capabilities, skills, attitude to social production and work, and in family status, which is why, even with equal pay for equal work, the various members of the society cannot satisfy their requirements to the same extent. In other words, under socialism the working people differ in material well-being. The inequality in the extent to which their requirements are satisfied can be overcome, and the advance to distribution according to needs effected gradually, as the necessary material and other prerequisites are created. Thus, with the acceleration of scientific and technical progress, and the rise of the general educational, technical and cultural standards of the members of the society, the difference in skill standards of the various categories of workers is reduced, and so also are their income differentials. For all these reasons, distribution under socialism cannot yet be distribution according to need.

The theory of scientific socialism rejects the petty-bourgeois notions of a socialism based on egalitarian distribution. When explaining why it is impossible to have egalitarian distribution under socialism, one has to consider once again the interdependence of production and distribution, with the accent now switched from the definitive influence of direct production on the whole system of distribution relations, to the active influence that distribution, for its part, has on the sphere of production.

How are the best results in the development of social production to be achieved under socialism, which still has definite socio-economic distinctions in labour (simple and complex, skilled and unskilled, manual and mental)? Let us assume that everyone, regardless of skill, application, complexity of labour and product quality, is paid one and the same wage. What would be the practical outcome of such an arrangement? Under it, the idlers would be getting as much as the industrious and highly skilled workers. Under that kind of egali-

tarian distribution, many would probably prefer to do easy work, so leaving the more arduous jobs unmanned. The low-skilled worker would have no incentive to raise his skill and general educational standards, and there would be no point for work collectives either to increase output or improve product quality. It is perfectly obvious that such "equality" would have disastrous consequences for social production: the basic objectives of socialist production could not be achieved, and even the normal functioning of the socialist economy would be altogether impossible.

But could it, perhaps, be possible to make men work and fulfil orders and instructions by means of coercion, i.e., by establishing a "barrack-room communism"? Such notions were repeatedly and resolutely criticised by the founders of Marxism-Leninism, and historical experience has shown that they have nothing in common with true socialism.

A Material Stake in the Results of Labour

The working people's individual economic interests and their material stake in the results of labour are highly important under socialism. Considering the problems of socialist construction in Soviet Russia back in 1921, Lenin said that it was impossible to do without the working people's personal concern for the results of their labour, and that "we must *find a way* to produce incentives".³ He pointed out that the new society had to be built, and millions involved in the effort "not directly relying on enthusiasm, but aided by the enthusiasm engendered by the great revolution, and on the basis of personal interest, personal incentive and business principles".⁴ Egalitarian distribution ignores this personal economic interest and erodes the incentives for improving production and raising labour productivity. The socialist countries' experience shows that distribution according to work and material incentives are a powerful stimulus in developing and improving socialist production.

But it would be wrong to confuse material interest with greed

³ V. I. Lenin, "To V. A. Avanesov", *Collected Works*, Vol. 36, p. 548.

⁴ V. I. Lenin, "Fourth Anniversary of the October Revolution", *Collected Works*, Vol. 33, p. 58.

and the urge to make as much money as possible by any means, a mind-set that is very widespread in the capitalist society. The working people's material interest under socialism is totally different from material interest under capitalism. After all, even if a wage-worker at a capitalist enterprise is paid more for more and better work, he is still exploited by his employer. Add to this the psychological atmosphere in which material interest is realised in the capitalist society: it involves a drive to make as much money as possible at any price, frequently without regard to ethical principles or one's workmates, because gain is the only consideration, and the devil take the hindmost.

Under socialism, personal material interest is inseparable from the interests of the collective and the society as a whole, for it is the channel through which socialism's main objective is attained: universal well-being and the creation of the material conditions for the individual's free and all-round development. When incentive schemes under socialism are correctly structured, i.e., when the higher remuneration results from the greater benefit produced for the society, the material incentive coincides with the highest moral requirements.

But the working people's material stake in the results of their work is not the only inducement to the development of the socialist economy. Let us recall Lenin's advice not to substitute material incentives for revolutionary enthusiasm, but to develop the economy on the basis of material interest with the aid of enthusiasm generated by the great revolution, which means that under socialism moral incentives are used alongside material incentives to develop production.

Consequently, of the three conceivable forms of distribution—according to need, equally, and according to work—only distribution according to work meets the interests of the socialist society.

Wage Schemes under Socialism and Social Consumption Funds

Under socialism, distribution according to work among industrial and office workers is effected in the form of *wages*, a category of socialism which has a fundamentally new content. Under capitalism, wages are a converted form of the value and

price of labour-power. Under socialism, wages cannot be an expression of the value and price of labour-power, because labour-power has ceased to be a commodity. The working people, the proprietors of the means of production, cannot sell their labour-power to themselves.

In the socialist society, wages are an expression in terms of money of the share of the industrial and office workers in the part of the aggregate social product earmarked for individual consumption and determined in accordance with the quantity and quality of the labour expended by each worker. That is the basic distinction between wages under socialism and wages under capitalism. But there is also a quantitative distinction. Since wages under capitalism are a converted form of the value and price of labour-power, the value of the labour-power sets the ceiling to wages. Under socialism, wages must not only assure the working people of the means of subsistence sufficient to restore the forces expended in the process of production, but also ensure the individual development of every participant in social production.

Under socialism, wages assume the form of money because of the existence of commodity production. Since the articles of consumption in the socialist society are produced and realised as commodities, the inputs of labour by industrial and office workers and the results of their work are reckoned in a value form, by means of money.

Wages, the concrete form in which the economic law of distribution according to work is realised, express the socialist relations of production and rule out man's exploitation by man. An equal share of the consumption fund earmarked for distribution according to work corresponds to equal work.

Members of agricultural cooperatives are also paid on the basis of the law of distribution according to work, but because of the specifics of cooperative property and agricultural production, there are some differences as compared to the remuneration of labour for industrial and office workers. Every cooperative is the proprietor of the means of production it uses and the produce it turns out, and that is why the cooperatives pay their members out of their own funds, instead of the state fund.

The initial wage-scheme in Soviet agricultural cooperatives (collective farms) was based on the work-day, a specific provi-

sional unit used to indicate the measure of participation by each member of the collective farm in social production and the measure of his participation in the distribution of the farm's incomes. The work-day expressed a definite quantity of necessary labour at the given collective farm at a given time that was required for the fulfilment of a day's output norm on jobs of average arduousness and complexity, and it was the basis on which skilled and unskilled, complex and simple, arduous and easy labour were made commensurate.

Labour inputs were measured by means of output norms and wage-rates in terms of work-days which were approved by a general meeting of collective farmers in accordance with local conditions.

Today, Soviet collective farms use guaranteed monthly payments in cash on the basis of wage-rates at state farms (sovkhozes) without keeping accounts of work-days. The collective farmers' earnings are paid out every month in cash in accordance with the established wage-rates per output norm or unit of produce. At the end of the year, a part of the collective farm's income is additionally distributed among the collective farmers in accordance with the final results of their work.

The collective farms supply the collective farmers with food-stuffs and feed for their personal cattle, with the cost being deducted from the cash income due to them, or sell these for cash at prices fixed by the collective farm itself.

Apart from distribution according to work, some of the material goods and services under socialism are distributed through *the social consumption funds*. These are a part of the national income distributed among the members of the socialist society either free of charge or on easy terms. Social consumption funds are required by the socialist society primarily because its members have various needs which can be satisfied only in a collective manner (education, health care, etc.). Besides, some members of the society are unable to work (children, old people, disabled persons). Finally, there is a need to reduce as far as possible the differences in the extent of material security between various categories of workers, i.e., to overcome the differences in consumption which cannot be eliminated under distribution according to work. Through these funds, the working people of the socialist society are provided with free education and high-

er-skill training, medical services, the use of various cultural and enlightenment institutions (libraries, reading halls, etc.), the maintenance of pre-school institutions (creches and nursery schools), pensions, scholarships, aids, free or cut-price accommodation at holiday homes and sanatoriums, and so on.

2. CONSUMPTION UNDER SOCIALISM

The Meaning of "Wealth"

Material production is the basis of the steady rise in the well-being of the members of the socialist society and the creation of national wealth. If consumption is to be increased, the volume of production needs to be expanded. But that, for its part, makes it necessary to set aside a part of the aggregate social product for accumulation. Unless the society creates a definite accumulation fund, it will be unable to effect expanded production (on a larger scale) so as to ensure the growth of the well-being of the members of the socialist society.

There is a series of intricate interconnections between accumulated wealth, social production, accumulation and consumption.

Wealth and poverty, its opposite, have long been an issue of sharp ideological discussions, but the notions of wealth have always had a definite class character and have always involved the problem of consumption. That is natural, because wealth is an expression of intricate social relations. Wealth is, first, the spectrum of consumer values going to satisfy human requirements; second, it is the store of the products of labour; and third, it is an object of appropriation.

For the nomad tribesman, wealth meant cattle, for the slave-owner it meant slaves, and for the feudal lord—land.

For the capitalist, wealth means commodities and money. It is highly indicative that Marx began his principal study of the capitalist mode of production, *Capital*, with these words: "The wealth of those societies in which the capitalist mode of production prevails, presents itself as an immense accumulation of commodities."⁵ The capitalist class built up its wealth

⁵ Karl Marx, *Capital*, Vol. I, p. 43.

by exploiting wage-workers, and capital is the main criterion of wealth. Marx provided scientific proof that capital is not just an aggregation of commodities, or money, or even of the means of production, but a historically frameworked relation of production based on the capitalist exploitation of wage-workers.

It is not surprising at all that bourgeois theorists try to cover up the class nature of wealth based on relations of inequality and exploitation, claiming that wealth is not a relation of production, but only a store of things yielding an income, while poverty results from the lack of capital and capability or from accidental circumstances in which human beings are incapable of providing themselves with a minimum level of subsistence. The bourgeois concepts of "rich and poor nations" are argued on the same lines, and do not provide answers to some fundamental questions: have "poor" nations always been poor? Why are the Western "rich" nations now getting even richer, and the "poor" even poorer? "Poverty" itself is most frequently said to be due to the absence of capital, and the developing countries are said to have a shortage of capital because their peoples are indolent, unable to accumulate, lack capitalist enterprise, etc. The long and short of it is that the developing nations themselves—instead of the system of imperialist exploitation—are to blame for their own poverty.

The bourgeois concepts of wealth are also extensively used in the ideological fight against the socialist countries. Bourgeois propagandists suggest that the socialist societies are poorer than the capitalist societies because they have fewer jeans, Winston cigarettes and Mercedes or Peugeot-603 cars.

We find, therefore, that the bourgeois concepts of wealth completely ignore the objectively existing relations of production and take an altogether unhistorical and purely subjective view of wealth as a stock of things (commodities, money, capital, consumer goods, etc.).

The Marxist-Leninist science says that wealth is historically-rooted and has a class character. Collective wealth in the primitive community, if that is the name for it, ensures the equality of all its members. Wealth in the antagonistic society, in general, and in the capitalist society, in particular, is the monopoly of the ruling class of the means of production and power, which enables it to extract from the exploited classes and

social strata of the population the surplus-product, and often a part of the necessary product, created by them.

Poverty in the antagonistic societies is the lot of the oppressed classes and entire peoples whose surplus-product is appropriated by the ruling classes of their own or some alien country.

Wealth in the socialist society is the accumulated product of the labour of working people free from exploitation. "National wealth" is a term frequently used in economic writings. National wealth, in the strict sense of the term, will be found only in the socialist society, where the socialisation of the production and the bulk of the non-production assets converts them into the property of the whole people. In the capitalist society, the "national wealth" concept hardly gives the right idea about the actual state of things, because the bulk of the property—capital—belongs to only a part—and a very small part—of the population. This wealth is not in essence the wealth of the nation but of the class of exploiters, so that the use of the "national wealth" concept in the capitalist society is no more than relative. That is why Engels remarked: "The term national wealth has only arisen as a result of the liberal economists' passion for generalisation. As long as private property exists, this term has no meaning."⁶

We defined wealth briefly as the stock of the products of labour, but when considering wealth, and especially wealth in the socialist society, one should take a broader view of the concept of *national wealth as being both the accumulated material values and natural resources, production and technical experience, and also all the cultural and spiritual values.*

Natural resources under socialism are the property of the socialist state, and it is a most important task of the socialist society to make economical, rational and thrifty use of them. There is a fundamental distinction between the attitude to natural resources and their use in the socialist and in the capitalist society. Natural resources, as constituting the environment and the conditions of man's habitat, are becoming an ever more important element of the concept of social wealth.

The wealth of the socialist society cannot be correctly con-

⁶ Frederick Engels, "Outlines of a Critique of Political Economy", in Karl Marx, Frederick Engels, *Collected Works*, Vol. 3, Progress Publishers, Moscow, 1975, p. 421.

ceived as consisting only of material elements. There is good reason, after all, why man himself is said to be the most valuable capital and element of wealth under socialism. Let us also note that a key feature of the socialist society is that it allocates from its wealth not only material values but also the values of spiritual culture for the purposes of individual consumption. After all, when evaluating the wealth, say, of the capitalist society, there is a need to reckon not only with the fairly high level of material production and consumption, but also with the obvious underproduction and underconsumption of the majority of the population in the spiritual sphere. Spiritual and intellectual wealth under socialism differs from that under capitalism not only in volume and forms but also in content, character, composition, objectives, and social results of the consumption of spiritual and intellectual values.

Now that we have considered the concept of socialist wealth, we should take another look at the stable cause-and-effect connections which exist between national wealth, production, accumulation and consumption. These connections are an expression of the content of the *economic law of socialist accumulation: the greater the social wealth, its volume and rate of growth, the more fully the requirements of the members of the society are satisfied and their all-round development ensured, and the higher the working people's living standards.*

The Mode of Production and the Social Type of Consumption

It is an established fact that in all socio-economic formations, the process of reproduction consists of a chain of interconnected economic relations in the sphere of production, exchange, distribution and consumption. In this intricate and multi-stage reproduction process, consumption appears simultaneously as the closing stage, as the finish line in a given round of production, and as the necessary condition for continuing the reproduction.

Economic relations in the sphere of consumption, as in other spheres of reproduction, are determined above all by production itself, i.e., by the relations of direct production. Nor is that only because production creates and shapes requirements; the nature of the connection between production and consumption,

and the way they determine each other are also of much importance. Accordingly, every mode of production has a corresponding type of consumption.

One could assert, in the most general terms, that any human entity (society, nation, class) has productive capacity, i.e., a definite aggregation of labour skills and experience, etc., on the one hand, and a capacity for consumption, which is determined by the historical conditions of production, on the other. But these general capacities, which are characteristic of any human entity, have a very definite content depending on the mode of production.

In the exploitative, antagonistic social-class systems, these capacities are antithetical, so that the duty to produce is assigned mainly to the have-nots, and the privilege to consume is vested mainly in those who own the means of production. As a result, very different measures of consumption are established for the exploiters and for the exploited.

This contradiction and social injustice are liquidated by socialism, the working people's socio-economic system, because it does away with the exploitation of man by man generally. Under socialism, each has the possibility of satisfying his requirements to the extent to which that is possible under the attained level of social production, and also depending on his personal contribution to the common labour effort. Indeed, it is this contribution that determines the personal well-being of every member of the socialist society.

Because of the substance of the socialist society, *labour and its actual results alone provide the main measure for determining every citizen's well-being.*

Let us further scrutinise the fundamental distinctions in consumption under capitalism and under socialism, with emphasis on the economic relations of individual consumption within the overall socio-economic context of each of these two opposite social systems.

The law of the production of surplus-value—the basic economic law of capitalism—has the crucial influence on every sphere of social reproduction, including consumption. It is not the purpose of the capitalist system of production to cater for the individual consumption of the bulk of the consumers, that is, the masses of working people, but to maximise profits through

the production of surplus-value, i.e., through the capitalist exploitation of the wage-workers. The working people's individual consumption is necessary to the extent to which it is a condition for the functioning of labour-power.

There is social antagonism in the sphere of consumption in the capitalist society, because that society consists of antagonistic classes. Is there anyone who does not know that wage-workers and their employers have very different standards of consumption?

"Elitist consumption" by a handful of top people in the capitalist society is a peculiar element of general consumption. This small elite has homes the size of palaces, yachts as big as ships, personal aircraft, and diamonds of rare size, to name but a few of the luxuries its members flaunt. Spiritual consumption in the capitalist society is also highly specific: on the one hand, there is the "mass culture" with its pathetic mediocrity, and, on the other, the great achievements of the human genius—classical music, ballet, antique sculptures, accessible only to the rich, with their private collections of unique masterpieces bought mainly abroad and mostly illegally. The bourgeois model of consumption also includes the satisfaction of perverted tastes through the provision of pornography and prostitution.

The contrasts in the sphere of consumption within the framework of the world capitalist system as a whole are even greater, for there the antithesis of wealth and poverty is even more pronounced. Against the background of the idle luxury of the ruling elite in the capitalist society, the poverty and hunger in which tens of millions of people have to live in the developed capitalist countries, and hundreds of millions in the developing countries are increasingly intolerable.

A fundamentally different type of consumption will be found under socialism, where production is being carried on not for the sake of producing surplus-value, but for ensuring the fullest possible well-being and free all-round development of all the members of the society. The new society which has emerged with the triumph of existing socialism has set itself the programmatic goal of doing everything for the sake of man, everything for the benefit of man.

Economic relations in the sphere of consumption are a part of the integral economic system of socialism. Socialist consump-

tion is not established overnight. After the victory of the socialist revolution, in the period of transition from capitalism to socialism, the economic laws proper to socialist consumption gradually expand the sphere of their operation, as the capitalist relations of production are eliminated and social production developed.

In concrete historical conditions, especially at the beginning of the transition period, the Soviet working people, for instance, had consciously to accept definite limitations in their individual consumption. The world's first socialist state went through a savage civil war and faced armed intervention by the imperialist powers, but even in those terrible conditions, by the end of the 1920s, that is, within only 10 years after the revolution, the working people's living standards were much higher than they had been in tsarist Russia.

With the establishment of socialism, socialist economic relations in the sphere of consumption become dominant and pass through a succession of stages in their further evolution.

Different socialist countries have some differences in consumption, because of the different level in the development of their productive forces, the maturity of the socialist relations of production, and peculiarities of historical development and national traditions; but socialist consumption as a whole, as a type of social relations, differs in principle from consumption in the capitalist society. For one thing, it is a reflection of the economic relations between working people free from exploitation. There is no parasitic consumption in the socialist society, because it has neither exploiters, nor the exploited, which is why there can be no antagonistic contradictions between various models of consumption, which ultimately express social relations between working people.

That is not to say that in the socialist society consumption is absolutely the same for all its members. Socialism creates equality of rights and opportunities by removing the social causes for which a society is polarised into rich and poor, but there remains the inequality of capabilities, quality of workmanship, family conditions, etc., all of which result in inequality in the extent to which the requirements of the members of the socialist society are satisfied.

Under socialism, different classes continue to exist, although

they are not antagonistic classes: the working class, the cooperative peasantry, and a social stratum—the intelligentsia. The individual consumption of workers, peasants and intellectuals is, of course, not identical, but not so much because of income differentials as of different interests and requirements.

Under socialism the real incomes of the various social classes and groups have a tendency to draw closer to each other, and that for many various reasons. First of all, the essential distinctions between the social classes and strata, between mental and manual labour, and between town and country are gradually being eliminated. The socialist society, especially at its developed stage, tends to become ever more homogeneous in social terms, so that the incomes of, say, the Soviet higher-school professor, the director of an industrial enterprise, and the higher-skilled worker, for all practical purposes cease to differ to any significant degree, but not because the role of the intelligentsia is being played down or the incomes of workers by brain reduced, but because of the workers' rising skill standards and the corresponding growth in wages. The bridging of the gap between the living standards of workers by brain and workers by hand is a natural process under socialism with the emergence of a new type of highly-skilled worker who is both a worker and an intellectual, and frequently has a higher education.

Social consumption funds provide all the members of the socialist society with equal opportunities for developing their capabilities within the system of universal education, culture, and for using health services, irrespective of individual incomes.

Another historical achievement of socialism is not only the marked reduction in differences in incomes and conditions for satisfying the most important social requirements for various strata of the population, but also the elimination of the gap in consumption standards in different regions of the country. The evening-out of consumption standards within the framework of the socialist community as a whole is another characteristic feature of socialist consumption.

Material Well-Being under Socialism

Individual consumption under socialism has its specific structure and make-up of consumer values. Every type of consumption

is based on historically-rooted and socially-determined human requirements, and the whole set of these requirements constitutes a dialectical unity of human and class requirements which tend to develop with the development of the society, forming a multi-tiered pyramid. At the very bottom are the simplest and most elementary requirements, with the more complicated and diversified requirements making up a scale of rising tiers.

A social system's capacity to satisfy not only the elementary requirements of the society, but also the highest ones is a key criterion of its social effectiveness. The structure and make-up of consumption under socialism do, of course, take account above all of the need to satisfy requirements ensuring the conditions for human vital activity. These requirements are largely common to all human beings and relate mainly to the satisfaction of the need for food, clothing, housing, household articles, means of transportation, etc.

Let us first consider food for it deserves special attention, because for years vociferous bourgeois propaganda has claimed that socialism is incapable of satisfying its citizens' most elementary requirements, such as in foodstuffs. The "arguments" presented by the adversaries of existing socialism are extremely primitive and are designed to dupe the innocent. Thus, they say that tsarist Russia used to export grain abroad, whereas the Soviet Union is forced to buy grain in the capitalist countries to keep the population from starving to death. Another allegation is that the Soviet Union was forced to adopt its Food Programme in 1982 because socialism has proved incapable of solving the food problem throughout its entire period.

Everyone knows that before the 1917 Revolution, Russia used to export grain, while millions of Russian peasants starved to death, as they did before the First World War, in 1912 and 1913. In the latter year, Russia produced about 80 million tons of grain, whereas the Soviet Union now produces almost 200 million tons a year. Why then does the Soviet Union really have to buy some 30 million tons of grain abroad every year? Is it because there is a shortage of bread in the country? Not at all! In a sense the very opposite is true.

The fact is that the Soviet Union has long since outstripped the most developed capitalist countries in the total calorie-content of the foodstuffs consumed: it has been scientifically estab-

lished that the optimal diet should have an equivalent of 2,837 calories per head a day, while the Soviet Union's average comes to 2,978 calories. With the steady growth of the people's well-being under socialism, the food structure is altered, as citizens begin to consume less bread, bread products and potatoes, and more meat, milk products, vegetables, fruits, etc. Over the past 15 years, meat consumption per head in the Soviet Union, for instance, has gone up by 41 per cent, milk by 25, eggs by nearly 100 and vegetables by 35 per cent.

One has to bear in mind that the consumption of the staple farm produce increased just when the total population went up by 35 million, and when the rural population was reduced as a result of urban growth. Those are the factors behind the adoption of the Food Programme, whose realisation would make it possible to alter the Soviet people's diet structure markedly, so as to make it more rational and scientifically grounded. Grain is purchased abroad mainly to provide feedstuffs for the cattle on the farms so as to increase the production and consumption of meat.

The following data give an idea of the consumption of the staple foodstuffs in the Soviet Union.

Consumption of Staple Foodstuffs
(kilograms per head a year)

	1980	1990 plan
Meat and meat products	58	70
Fish and fish products	17.6	19
Milk and milk products	314	330-340
Eggs (pieces)	239	260-266
Sugar	44.4	45.5
Vegetable oil	8.8	13.2
Vegetables	97	126-135
Fruits	38	66-70

Let us bear in mind that the retail prices of the staple foods in the USSR are kept stable for a long time.

Clothing is naturally a part of consumption, and those who have visited the socialist countries will hardly claim that the people there are poorly clothed, although one could say that not everyone is dressed according to the latest fashions advertised in the West.

When it comes to housing, nowhere is so much of it being built, perhaps, as in the socialist countries. In the Soviet Union, for instance, almost 10 million people every year move into new hot-water, central-heating flats, and this has now been the practice for a long time. Rents in the Soviet Union have not changed since 1928, and they come to no more than 3 per cent of the average wages of industrial and office workers. As for the appointments in these flats (furniture, refrigerators, TV sets, washing machines, etc.) there is hardly any essential distinction between the flat of a Soviet worker and, say, a French worker.

Transportation is a very important strand of the fabric of modern urban life. Jobs are most frequently located kilometres away from the residential areas, and this presents the problem of getting there and back. There seem to be two main solutions to this problem: mass production of passenger cars as an element of mass consumption, and massive development of public transport (underground, trolleybuses, buses, etc.). The capitalist society has opted for the former, and the socialist society, for the latter. But at the same time, the production of passenger cars for personal use has been sharply increased, for instance, in the Soviet Union, while public transport continues to predominate, especially in the urban areas. Public transport fares in the Soviet Union have remained the same for decades, and are very much lower than those in the capitalist countries. The capitalist record shows that, far from solving the transportation problem, the extensive use of private cars has, in effect, produced new problems (parking, noise, and the disastrous threat to man's habitat).

Although there are many similarities between the consumption standards of the working people under socialism and under capitalism, there are also some fundamental social distinctions. For one thing, there is no parasitic consumption under socialism, and none will ever be allowed to appear, just as there are no starving or homeless people, because there is no unemployment. There is no discrimination in consumption for reasons of race or nationality, and the low standards of consumption which are to be found in the developing countries are altogether inconceivable under socialism. There are also fundamental distinctions from the standpoint of the ever greater number of

forms and methods with which the working people's well-being is enhanced.

The economic law of rising requirements operates in all socio-economic formations, even if in different ways. Its operation produces this general tendency: as the productive forces are developed, the range of human requirements is extended and their structure changed. Thus, there has been a marked evolution in this area in the West European countries not only as compared with the turn of the century, but even over a shorter period of time, say, since the Second World War. However, the working people in the capitalist countries had to win improvements in their living conditions through hard and exhausting struggles against their employers. Let us also note that their living standards are highly unstable, for with the slightest change in the balance of class forces, the capitalist entrepreneurs are quick to deprive the working people of their gains.

The cyclical development of the capitalist economy has a great influence on their living standards, and the economic crisis falls as a heavy burden on the shoulders of the working people.

Under socialism, the law of rising requirements has enough scope to operate at full force. The obstacles artificially blocking the growth of the working people's well-being are removed together with capitalism, and the evolution of the well-being itself acquires new features. First of all, consumption tends to develop at *a much faster pace* than it does under capitalism (in the Soviet Union, for instance, the working people's real incomes double every 15 years). In contrast to consumption under capitalism, consumption under socialism is developed *without interruption*, and the operation of the law of balanced development makes the evolution of consumption under socialism *balanced* as well.

None of what has been said should suggest that consumption under socialism is free from problems or contradictions. These do exist, for instance, in the Soviet Union. Let us recall that the Food Programme is aimed to bring about a marked increase in the production and consumption of livestock and other staple food products. Soviet consumers have a high standard of demand on the quality of some goods, like footwear and clothing, and queues will still be found in the shops. Ways of

improving marketing and services are being widely discussed in the press.

But these problems are quite different from those which are characteristic of capitalism, and this also applies to the ways in which they are tackled. In economic terms, these could be described as a contradiction between the growing cash incomes of the population and the mass of commodities which falls short of the consumer demand.

It is true that the choice of goods offered for sale in the capitalist countries is virtually boundless, but does everyone have the money to buy what he needs? In these countries, consumer dissatisfaction is an expression of the contradiction between the growing potentialities of capitalist production and the limited purchasing power of the bulk of the population.

In sum, contradictions in the sphere of consumption will be found both under socialism and under capitalism, but the nature of these contradictions is totally different: while the contradictions are antagonistic under capitalism, under socialism they are non-antagonistic. Under socialism, these contradictions can be resolved by boosting the output of high-quality goods and improving marketing facilities. Under capitalism, the contradictions in the working people's consumption can be resolved only by liquidating the capitalist mode of production itself.

Consumption and Man's Full Development

As the society develops, human requirements are much modified, and old requirements give way to new ones.

Regardless of social system, not only material requirements (food, clothing, housing, transportation, etc.), but also requirements of a higher order (health, physical development, wider general and professional knowledge, political and spiritual culture, etc.) now tend to become ever more important, but these are realised under socialism and under capitalism in very different ways.

Under capitalism, these requirements are satisfied only partially, because the capitalist production of surplus-value is in itself impossible without the reproduction of labour-power.

Under socialism, these requirements are designed to promote

the individual's all-round and harmonious development, which means attaining the main objective of the socialist society.

The ways and means used to shape consumption in the two opposite social systems differ, because capitalism and socialism have different objectives in their production. Under socialism, medical care, education and physical training are available free of charge, and the products of spiritual culture are accessible to all the working people, who have at their disposal numerous theatres, concert halls, palaces of culture, libraries, museums, picture galleries, clubs, and so on.

Nor is it only a matter of the working people under socialism paying much less for the consumption of these spiritual values (cheaper theatre and cinema tickets, books, records). What is much more important is that the consumption of spiritual values is regarded as being much more important than it is under capitalism, and this substantially alters the content of consumption under socialism, its standards and structure.

This problem was very aptly formulated by Fidel Castro, First Secretary of the Central Committee of the Communist Party of Cuba, when he said: "Our consumption standards should not be those of the developed capitalist countries, which are based on exploitation, anarchy and economic waste, with total disregard for moral and human values. Whereas the material necessities of the human being can and must have rational limits in accord with the natural and technical resources and the need to preserve the biological environment, there is, by contrast, boundless scope for the individual's spiritual enrichment and development of the quality of life, which has never been taken into consideration in the mad, egoistic, mercenary and alienated frenzy of the capitalist societies."⁷

Let us also note that it is not right to reduce the substance of a social system to consumption, to say nothing of condensing it to the consumption of material goods.

Socialism is not a consumer society, and the consumer mentality is characteristic of the capitalist society, with its greed syn-

⁷ Fidel Castro, "La Revolución de Octubre y la Revolución Cubana. (Discursos 1959-1977)", Ediciones del Departamento de Orientación Revolucionaria del Comité Central del Partido Comunista de Cuba, Havana, 1977, p. 242.

drome. Capitalist advertising is designed to inflate the consumer's urge for conspicuous consumption, suggesting, for instance, that a man driving a certain make of car and smoking a certain brand of cigarettes is well on his way to success in life. Consumers tend to buy things which are louder than those owned by the neighbours to create the impression of being ahead of the Joneses on the social scale of the capitalist society.

Under socialism, the consumption of material and spiritual values promotes the individual's free and all-round development, and the crucial touchstone of human self-expression is that the working person is free from every form of exploitation and oppression, that he is the equal of all the others, that he is not threatened with unemployment, that he is sure of his morrow, and that, finally, his work is gradually becoming a prime want.

* * *

We have been considering the most basic features of socialism as a socio-economic system, seeking to give a general notion only of the most definitive aspects of the economic relations of production under socialism. But many of the important problems of the socialist economic system have not been considered in Part One, although it should help to gain a better understanding of Part Two. The socialist economic system is considered more fully and in greater detail in textbooks published by Progress Publishers,⁸ which we recommend.

⁸ Among those published in English are: L. Abalkin, S. Dzarasov, A. Kulikov, *Political Economy. Short Course*, 1983; L. Abalkin, *The Economic System of Socialism*, 1980; and P. I. Nikitin, *The Fundamentals of Political Economy*, 1984.

Part Two

FORMS OF TRANSITION TO SOCIALISM

Chapter Six

THE PERIOD OF TRANSITION FROM CAPITALISM TO SOCIALISM

1. THE SUBSTANCE OF THE TRANSITION PERIOD AND THE NEED FOR IT

The View of the Founders of Marxism

The need for a special period of transition from capitalism to socialism was first formulated by Karl Marx in 1875 in the *Critique of the Gotha Programme*, when he said that "between capitalist and communist society lies the period of the revolutionary transformation of the one into the other. Corresponding to this is also a political transition period in which the state can be nothing but *the revolutionary dictatorship of the proletariat*."¹

That prediction was made by the founders of Marxism in the light of their deep comprehension of mankind's development as a natural and historical process. They said that the period of transition from capitalism to socialism would be short, and that is highly interesting and valid for our own day. They also assumed that this period would involve some privation, but that it would be morally beneficial.²

Marx believed that the transition period and its historical duration were necessitated by the need to substitute socialist property for private-capitalist property and explained why he believed that the transition to socialist property would take very much less time than the formation of capitalist property. "The

¹ K. Marx, "Critique of the Gotha Programme," in Karl Marx and Frederick Engels, *Selected Works*, in three volumes, Vol. 3, p. 26.

² See K. Marx, "Wage Labour and Capital", *op. cit.*, Vol. 1, p. 149.

transformation of scattered private property, arising from individual labour, into capitalist private property is, naturally, a process, incomparably more protracted, violent, and difficult, than the transformation of capitalist private property, already practically resting on socialised production into socialised property. In the former case, we had the expropriation of the mass of the people by a few usurpers; in the latter, we have the expropriation of a few usurpers by the mass of the people."³

Indeed, capitalism took centuries to establish itself in Europe as the dominant mode of production, while the period of transition from capitalism to socialism in the Soviet Union, for example, lasted for just two decades, and was even shorter in many European socialist countries.

The hardship and privation of the transition period of which the founders of Marxism spoke continues to be a pressing problem even today. The living reality has fully borne out the predictions of Marx and Engels, while making nonsense of the old and new reformist conceptions and contrived "models" of socialism, which can allegedly be built without hardship and privation.

It was the Soviet people that suffered the greatest privation when they were laying the foundations of socialism in the USSR, which was long the only socialist country in the world, labouring in a capitalist encirclement and being subjected to constant pressures and even to armed intervention by imperialism. One should also bear in mind that the Soviet people had to blaze the trail to socialism, something which made mistakes in building a totally new society inevitable and compounded the difficulties.

But one should not exaggerate, let alone absolutise, the difficulties and privation of the period of transition to socialism, as bourgeois ideologists are wont to do with their slanderous theory of "lost generations". They can no longer deny the actual achievements of socialism, and so insinuate that it was built at too high a price, at the price of the lives and privations of several generations. Bourgeois ideologists ignore the fact that the period of transition to socialism does not only involve the overcoming of difficulties, but also the all-round rise of the working

³ Karl Marx, *Capital*, Vol. I, p. 715.

man, who is free from exploitation, and becomes the true master of his own fate and an active builder of the new society. The working people consciously accepted some privations for the sake of the incomparably higher social ideals than those propounded by the ideologists of philistine "creature comforts".

The transition-period theory was formulated by Marx and Engels before capitalism had reached imperialism, its highest stage, and their assumption was that the socialist revolution would win out in all the developed capitalist countries of the world more or less simultaneously. That is why they regarded the transition period as one more or less simultaneous and closing stage of the world-wide socialist revolution, and believed that in those historical conditions the triumphant revolution would set up one world-wide dictatorship of the proletariat, a universal republic comprising all the socialist countries.

Lenin's View of the Functions of the Proletarian Dictatorship

The theory of Marxism was carried forward and elaborated by Lenin in new conditions, when capitalism had entered the imperialist stage of its development. He drew the exceptionally important conclusion that the socialist revolution could initially win in a group of countries or even in one country. Lenin established that the operation of the law of the uneven economic and political development of capitalism had markedly intensified the differences between the individual countries in the extent to which the objective and subjective prerequisites of the socialist revolution matured. That is why the socialist revolution cannot win simultaneously in all the capitalist countries, and so the period of transition from capitalism to socialism cannot run a simultaneous course in all the countries. This key theoretical proposition of Lenin's has been fully proved by the development of the world revolutionary process.

For historical reasons, Soviet Russia had the first victorious revolution, and it was also the first country in history to pass through the period of transition from capitalism to socialism. Since the Second World War, the socialist revolution has won out in a number of countries in Eastern Europe and Asia, and in Cuba. Many of these countries have now completed the tran-

sition to socialism, and built the foundations for the socialist society, while others are at the closing stages of building the foundations of socialism.

The reconstruction of the society on socialist lines starts with the revolutionary replacement of the capitalist state, exercising the dictatorship of the bourgeoisie, by a state exercising the dictatorship of the proletariat. The working class uses the state it sets up to liquidate the economic, political and ideological power of the bourgeoisie and to tackle the main task, which is to build a new society. Engels said that the dictatorship of the proletariat is "the only organism by means of which the victorious working class can exert its newly conquered power, keep down its capitalist enemies and carry out that economic revolution of society, without which the whole victory must end in a defeat and in a massacre of the working class, like that after the Paris Commune".⁴

The socialist countries' historical record shows that all the key tasks of the transition period can truly be fulfilled only under the dictatorship of the proletariat. It was Lenin who developed the Marxist theory of the *dictatorship of the proletariat*, and showed that it was a *system of political domination of the working class exercising three basic and inter-related functions: coercion, construction and education*.

Marxism has always believed power to be the crucial issue of any revolution, because none of the ruling classes had ever given up its power of its own free will: it has always had to be won. Nor was the bourgeoisie any exception: it itself took power in sharp and sanguinary struggle against the feudal class.

Even before the October Revolution in Russia, Lenin said that suppressing the bourgeoisie's resistance would be one of the tasks of the transition period.⁵ When the socialist revolution won in Soviet Russia, the world bourgeoisie strained to strike out at socialism, and only waited for the right moment. That is why Lenin warned that the bourgeoisie "is not dead; it is alive. It is lurking nearby and watching".⁶

⁴ Marx and Engels, *Selected Correspondence*, p. 341.

⁵ V. I. Lenin, "The State and Revolution", *Collected Works*, Vol. 25, p. 462.

⁶ V. I. Lenin, "A Letter to G. Myasnikov", *Collected Works*, Vol. 32, p. 506.

Lenin never confined the functions of the dictatorship of the proletariat to coercion and said, that "to defeat capitalism in general, it is necessary, in the first place, to defeat the exploiters and to uphold the power of the exploited, namely, to accomplish the task of overthrowing the exploiters by revolutionary forces; in the second place, to accomplish the constructive task, that of establishing new economic relations".⁷ He also stressed that "the essence of proletarian dictatorship is not in force alone, or even mainly in force. Its chief feature is the organisation and discipline of the advanced contingent of the working people, of their vanguard; of their sole leader, the proletariat, whose object is to build socialism, abolish the division of society into classes, make all members of society working people, and remove the basis for all exploitation of man by man."⁸

Lenin attached much importance to the educational function of the proletarian dictatorship. The working class which has assumed political power must educate in itself a socialist consciousness and a new attitude to social labour, and gain a correct understanding of its great historical mission.

The dictatorship of the proletariat is, therefore, a system of the political domination of the working class springing from the socialist revolution and designed to liquidate man's exploitation by man, to create and consolidate socialist relations of production, and to educate the new man.

The Transition Period: the Main Tasks

The main reason for the need of a transition period is that socialist relations of production cannot emerge within the entrails of the capitalist society, whose development creates the objective and subjective prerequisites for the transition to socialism. Conjunction of the producers with the means of production as their social property is a necessary condition for socialism. Social property in the means of production is the basis

⁷ V. I. Lenin, "Our Foreign and Domestic Position and the Tasks of the Party", *Collected Works*, Vol. 31, p. 417.

⁸ V. I. Lenin, "Greetings to the Hungarian Workers", *Collected Works*, Vol. 29, p. 388.

of the socialist relations of production, and it cannot emerge within the capitalist system. Consequently, it is the specific origination and formation of the socialist relations of production that determines the objective necessity for a period of transition from capitalism to socialism.

The formation of the socialist relations of production is a highly intricate process. Capitalist property cannot be liquidated and a socialist economy set up immediately upon the proletariat's winning of political power. Very definite tasks have to be tackled in the transition period, and the fulfilment of each of these calls for great organisational efforts and much time. Here are the most important of these tasks:

the economic basis of capitalist exploitation has to be eliminated, and this means above all depriving the big bourgeoisie of property in the means of production;

the proletariat's constructive activity presents an even more difficult task, because it means organising the work of enterprises on the new socialist principles, an extremely difficult endeavour in itself, which is compounded by the fact that the working class has no experience in economic administration and management;

the working class has to prepare and educate itself for guidance of the whole of socialist construction;

the petty-commodity production of the peasants, artisans and handicraftsmen needs to be gradually transformed on socialist lines through their voluntary cooperation for production;

there is a need to build up the material and technical basis of socialism: large-scale machine production, and technical re-equipment ensuring technical progress in every sector of the national economy, as the only basis for raising the working people's well-being and culture;

there is also a need to carry out a cultural revolution and to re-educate the numerous bourgeois and petty-bourgeois strata politically and ideologically. A cultural revolution means a radical change in the people's spiritual development, and is a component part of socialist transformations. It includes the establishment of a socialist system of public education and enlightenment; re-education of the bourgeois intelligentsia and the shaping of a new, socialist intelligentsia; overcoming the influence of the

bourgeois ideology; creation of a socialist culture, and restructuring the people's way of life.

All of these numerous and complicated tasks naturally take time, which is why Lenin said that the goal of building socialism "cannot be achieved at one stroke. It requires a fairly long period of transition from capitalism to socialism, . . . because radical changes in all spheres of life need time, and because the enormous force of habit of running things in a petty-bourgeois and bourgeois way can only be overcome by a long and stubborn struggle."⁹

In other words, a specific period of revolutionary transformation of the capitalist society into a socialist society is required to fulfil all these tasks. The period starts with the proletariat's winning of power and the establishment of its dictatorship, and ends with the full triumph of socialism.

In economic terms, the substance of the period consists in the liquidation of the capitalist basis and the creation of a new, socialist basis, i.e., of a new, socialist economic system.

2. THE SOCIALISATION OF THE MEANS OF PRODUCTION ON SOCIALIST LINES

One of the principal uniformities of the transition from capitalism to socialism is the liquidation of capitalist property and the establishment of social property in the basic means of production.

The means of production can be socialised in various ways, for the objective reason that there are two basic forms of private property under capitalism: the bourgeoisie's private-capitalist property, and the private property of the labouring peasants, handicraftsmen and artisans.

It stands to reason that the triumphant proletariat takes a fundamentally different attitude to these forms of private property, because private capitalist property results from the bourgeoisie's exploitation of the working class, while the private property of peasants and other working people is, as a rule, created by their labour, without the use of wage-labour.

⁹ V. I. Lenin, "Greetings to the Hungarian Workers", *Collected Works*, Vol. 29, p. 388.

However, the study of the initial socialist transformations should be started with the question of workers' control, which is an important preparatory measure for socialist nationalisation.

Workers' Control: the First Step Towards Socialism

The theory and practice of workers' control in the socialist countries, notably the Soviet Union, has a place apart in the multifaceted and wide experience of transforming capitalist property into socialist property.

Depending on the concrete national conditions, the forms and methods of workers' control in each country are, of course, highly diverse, but its common social-class substance and basic principles will be found in its practical application in all the socialist countries, and that is the main thing. First of all, workers' control has everywhere been the initial form, the first step towards the management of industrial enterprises by the working class itself. The practice of socialist socialisation has shown very well that workers' control has to function for a fairly long period, and that there should be no undue haste in the consistent advance from one stage of it to the next. Socialist nationalisation has, as a rule, been preceded by a period of workers' control as a transitional measure on the way to socialist transformations.

Immediately after the October Revolution in November 1917, the Soviet government enacted a "Statute on Workers' Control", which had been drafted by Lenin. Under that decree, all workers were to take part in control "over the production, purchase, and sale of products and raw materials, their storage and also over the financial side of the enterprise"¹⁰ through their plant and factory committees, shop-stewards councils, economic control commissions, etc. What was highly important was that office workers and technical personnel were also represented on the workers' control bodies, which had the right to oversee production, set minimum output rates for enterprises and take measures to establish the cost of the goods being produced. Commercial secrets were abolished and the owners of enterprises had the duty to submit all their accounts and re-

¹⁰ *Party and Government Decrees on Economic Matters*, Politizdat, Moscow, 1967, Vol. 1, p. 25 (in Russian).

ports to the workers' control bodies, which were also responsible to the state for good order on the shopfloor, discipline and protection of property. The decisions taken by these bodies were binding on the owners of the enterprises and could be rescinded only by a decision of higher-standing workers' control bodies.

The capitalists fiercely resisted the Soviet government's practical measures in introducing control over the production and distribution of goods, and many factory-owners refused to recognise workers' control and its representatives, closed down their enterprises and disrupted production. The working class was forced to respond with resolute measures to the capitalists' sabotage, and thousands of enterprises were salvaged from dislocation by the Soviet government with the aid of workers' control. Resolute action by the workers across the country helped to resume the operation of closed enterprises, safeguard equipment from theft and waste, combat unemployment, arrange the production of goods required by the country, and settle intricate management, economic and technical matters. These first few strides towards socialism exposed the bourgeoisie's assertions that the workers were allegedly incapable of controlling the country's economic life, and that workers' control could do nothing but spread anarchy and intensify the dislocation. The workers' control system showed that the working class is capable not only of destroying the old and obsolete, but also of building up creatively the new society based on justice.

Lenin emphasised the role of workers' control as a stage of thorough preparation for nationalising industry, and added: "Until workers' control has become a fact, until the advanced workers have organised and carried out a victorious and ruthless crusade against the violators of this control, or against those who are careless in matters of control, it will be impossible to pass from the first step (from workers' control) to the second step towards socialism, i.e., to pass on to workers' regulation of production."¹¹

Workers' control over the production and distribution of goods in the Soviet Union and other socialist countries was above all a preparatory stage for socialist nationalisation. The enterprises were still in the hands of the capitalist entrepreneurs, but the

¹¹ V. I. Lenin, "The Immediate Tasks of the Soviet Government", *Collected Works*, Vol. 27, pp. 254-255.

introduction of workers' control marked the first step towards the immediate socialisation of the means of production in industry. Workers' control had to prepare and accumulate experience in managing production so as to go on to socialist nationalisation.

Workers' control had a big part to play in training personnel among workers, and gave front-ranking workers experience in organising production. The training of new socialist personnel was of tremendous importance for going on to the socialist socialisation of industry, for without the schooling in industry, which the workers received in the exercise of workers' control, it would have been extremely difficult to nationalise industry. Thousands of skilled managers of production were trained in the workers' control bodies, and they headed the factories, plants, mines, pits and other industrial enterprises which subsequently became the whole people's property. In the period of nationalisation of large-scale industry, many active members of workers' control bodies were appointed to state-enterprise boards and were among the first to manage and organise Soviet industry at the centre and in the localities.

The Importance of Workers' Control for Socialism-Oriented Developing Countries

Workers' control presents problems which are not only of great theoretical but also of practical importance for the developing countries, especially those taking the socialist orientation. The practice of revolutionary transformations, wherever these may be going on—Europe or Africa, Asia or Latin America—shows very well this important and vital truth: success in effecting radical socio-economic change largely depends on the extent to which it involves large masses of working people. Workers' control is, in effect, a most important instrument for involving masses of working people in the management of production, which is a form of workers' self-management.

It is noteworthy that various forms of self-management by the working people emerged in the course of national-liberation revolutions in some countries, and that in many ways they were similar to the workers' control bodies which operated at the early stages of socialist transformations in the Soviet Union and other

socialist countries. One example is provided by Algeria: in 1962, following the mass exodus of French businessmen from industry and especially from agriculture, the Algerian working people set up a system of self-management for enterprises abandoned by their owners. The revolutionary practice of workers' control bodies in the socialist countries, as exemplified by Algeria's "self-management sector", has demonstrated once again that the working people are able both to control and to manage modern enterprises without their capitalist masters.

Workers' control and other forms of workers' self-management are above all class organisations designed to express the working people's interests, and that is why members of the bourgeoisie were not admitted to workers' control bodies in the Soviet Union and other socialist countries. These were elective bodies consisting of representatives of working people and having a clear-cut class edge. However, engineers, technicians and office workers were engaged in fruitful activity in these bodies side by side with the workers. In other words, workers' control-type organisations can and must combine the workers' revolutionary enthusiasm with the specialist expertise and knowledge of progressive members of the national intelligentsia.

Let us consider yet another important aspect of the workers' control experience in the Soviet Union and other socialist countries. Revolutionary practice shows that workers' control and other forms of workers' self-management cannot be considered on the scale of a single enterprise alone, because it is incapable of solving the working people's basic problems even if the workers not only control the operation of the capitalist enterprise, but have even gone over to running production on their own. After all, each enterprise has a thousand bonds with other enterprises, and the workers of any private capitalist enterprise are not confronted by one capitalist, but by the whole capitalist class. Besides, socialism cannot be built at a single enterprise in isolation from all the others. That is why it is necessary to coordinate the activity of all the workers' control bodies on the scale of the whole country, to concert their activity with the trade unions and also with the government agencies expressing the class interests of the working people. That is why in the workers' control period in Soviet Russia and other socialist countries national workers' control bodies were set up with state-

wide powers. The ample experience gained in other countries also shows that socialism can never be established within the framework of a single enterprise by a work collective, whatever the forms of workers' self-management. Indeed, the reformist theories of a "corporate socialism" have foundered on the hard realities of history.

The experience in workers' control practised in Soviet Russia and other socialist countries cannot, of course, be mechanically applied to socialism-oriented developing countries, because the economic, social and political conditions are never the same in different countries. But those who sincerely regard socialism as the main objective of socio-economic development will find the wealth of workers' control experience in Soviet Russia and other socialist countries useful in many respects:

first, workers' control is an important preliminary measure paving the way for more effective nationalisation of capitalist enterprises, and the initial revolutionary transformations involving the introduction of workers' control are of especial importance for the socialism-oriented countries, in many of which foreign capital still has considerable weight;

second, workers' control leads to the all-round development of the working people's creative initiative, and it is hard to exaggerate its significance for the socialism-oriented countries, where it is so important to involve masses of working people in the democratic management of production. Workers' control experience in raising labour productivity, improving the organisation of production, and combating the bourgeoisie's sabotage could be most valuable above all in developing the state sector in the socialism-oriented countries.

The Socialist Nationalisation of the Basic Means of Production

Lenin believed the nationalisation of the basic means of production to be a step towards socialism, and not an "introduction" of socialism.¹²

¹² See V. I. Lenin, "The Tasks of the Proletariat in Our Revolution", *Collected Works*, Vol. 24, p. 73.

The point is that nationalisation does no more than put the legal seal on the conversion of the big industrial enterprises, banks, and means of communication and transport into state property, while the socialist socialisation of the basic means of production is an even more formidable task: it is not only much more difficult, but also takes a relatively long time. "Banking policy, without being confined to nationalisation of the banks, must gradually but steadily be directed towards converting the banks into a single apparatus for accounting and regulation of the socialistically organised economic life of the country as a whole."¹³ That was Lenin's warning against the ideologists of the petty bourgeoisie who seek to confiscate large-scale capitalist property for the sole purpose of destroying it. Nationalisation is not an end in itself, because it merely prepares the conditions for organising the operation of the whole national economy on socialist lines. The means of production cease to be an instrument for the appropriation of the labour of others and become the property of the people.

Socialist nationalisation can be effected either through full and uncompensated confiscation of the property of the exploiter classes, or through partial redemption, the choice of approach depending on the arrangement of class forces in a given country and in the international arena.

The counter-revolutionary forces' fierce fight against the Soviet power in Russia after the October Revolution and the looming danger of foreign enslavement made nationalisation without delay imperative. The party's Sixth Congress said: "The American billionaires, who have filled their vaults with gold soiled with the blood of the dying on the fields of devastated Europe, have joined their weapons, their finances, their counter-intelligence and their diplomatists in order to tighten the noose on the neck of the Russian revolution. It turns out that the bourgeoisie of Russia is bound to the capitalists of Europe and America with the bonds of common goals and a heavy gold chain whose ends meet in the banking houses of London and New York."

The Soviet government had to nationalise not only the Rus-

¹³ V. I. Lenin, "Theses on Banking Policy", *Collected Works*, Vol. 27, p. 223.

sian-owned but also the foreign-owned enterprises and banks in order to escape from the extensive and chronic dependence on European and US imperialism. With political power in its own hands, Russia's triumphant proletariat first got down to taking the initial hard steps in implementing its projected economic programme. In accordance with Lenin's proposal in November 1917, the Soviet government set up immediately after the revolution a Special Commission for Conducting Socialist Policy in the Financial and Economic Spheres. In the very first few months of the Soviet power, the state nationalised a large number of industrial enterprises whose owners had engaged in sabotage or had taken part in counter-revolutionary conspiracies, and also the enterprises of capitalists who had fled abroad. In April 1918, it nationalised foreign trade, and in June 1918, large enterprises in all the industries.

The socialist socialisation of the banks in Soviet Russia began with the takeover by the proletarian state of the State Bank of Russia, the central bank of issue. In December 1917, all the private banks and banking houses were nationalised, which made banking a state monopoly. The People's Bank of the RSFSR (Russian Federation) was set up on the basis of the former State Bank of Russia and the nationalised private banks. All bank stock was annulled at the end of January 1918, as the final act in the nationalisation of the private banks. The Soviet power also confiscated the property of the landowners in the means of production and nationalised the land.

In other countries advancing along the socialist road, nationalisation took a longer time than it did in Russia, because in the new historical conditions it was possible to carry out nationalisation not only through unredeemed confiscation, but also through a partial redemption of enterprises.

The nationalisation in Russia brought out both the general uniformities of socialist socialisation and its specific features. For one thing, the revolutionary transformations in Soviet Russia showed very well that only a victorious proletariat led by a Marxist-Leninist party is able to carry out a truly socialist nationalisation. Let us note that other political parties and groupings in Russia, notably the Left Socialist-Revolutionaries (ideologists of the petty bourgeoisie), also advocated nationalisation, but they wanted "nationalisation in principle" and wilted

in the face of the difficulties when it came to getting things done.¹⁴

Like other deep-going revolutionary transformations, the nationalisation of the banks in Russia rested on the alliance of the working class and the bulk of the peasantry and the other strata of the working people. It is worth while to note, in this context, that credit cooperatives which serviced peasants and handicraftsmen were not nationalised. Moreover, the Soviet government gave them organisational and financial support through the nationalised banking system.

The nationalisation in Soviet Russia was profoundly democratic, and this was manifested above all in its purposes and methods: the nationalisation was carried out for the vital interests of the workers and all the other working people, who took a most active part in the process.

Let us note, in particular, the constructive activity of the Soviets, the new people's organs of state power, which included the most class-conscious workers, peasants and soldiers. The Soviets bore the brunt of the effort to translate into life the legislative act on nationalisation adopted by the Soviet government, and the even more difficult task of socialising production in practice. That meant the working people's mastering the art of economic management on the scale of a vast country like Russia. They had to organise the book-keeping of production costs, distribution of the products, control over the use of resources, and so on. In very difficult conditions, with qualified specialists few and far between, and with the bankers and the larger part of the bank officials sabotaging the revolutionary measures, the Soviets were forced to put at the head of many nationalised enterprises and banks workers and soldiers who were dedicated to the revolution but who had no knowledge at all of the intricate workings of financial, economic and technical management. But once again the myth of the working people's being incapable of running the state was dispelled. The proletariat of Russia overcame incredible difficulties to master the commanding heights of the economy and build up the economic basis of the new society, i.e., shape the socialist relations of production.

¹⁴ See V. I. Lenin, "Speech on the Nationalisation of the Banks Delivered at a Meeting of the All-Russia Central Executive Committee, December 14(27), 1917", *Collected Works*, Vol. 26, p. 390.

The bourgeoisie of Russia was closely allied with foreign capital, and its resistance to the socialist transformations in Soviet Russia could be broken only if the economic positions of foreign capital within the country were simultaneously undermined. The acts annulling foreign state loans and liquidating all foreign banks on Soviet territory were an important event of international significance: the Soviet government tore up the web of revolutionary Russia's financial dependence on foreign banks and monopolies and fundamentally undermined the positions of foreign capital in the national economy. If the terms of the Western powers had been accepted, the Soviet people would have had to pay out 20 per cent of its national income and 80 per cent of its national budget every year.

One general uniformity of socialist nationalisation is that it has always been attended with a fierce class fight imposed on the people by the resisting exploiter classes. The nationalisation in Soviet Russia also revealed some specific features of this process arising from the concrete national, international and historical conditions, one of which was the extremely acute forms of the bourgeoisie's class resistance to the nationalisation: the bankers' overt sabotage of the Soviet government's policy, refusal to cooperate with it in any way, and reliance on foreign intervention. This organised resistance soon developed into a civil war, and the Western powers launched their armed intervention against Soviet Russia. It was the savage resistance by the Russian and foreign bourgeoisie that largely determined the concrete forms in which nationalisation was carried out in Soviet Russia: a relatively short period, and no compensation at all either to Russian or foreign owners.

Socialist nationalisation transfers large-scale capitalist property to the working people, and this brings about a radical change in the relations of production in the society.

3. ECONOMICS IN THE TRANSITION PERIOD

Multisectoral Economic Structure

In the period of transition to socialism, each country's economy has a *multisectoral structure*, i.e., it consists of many different social economic sectors.

In the transition period, private capitalist enterprises continue to operate for some time alongside the socialist enterprises, and numerous petty-commodity producers likewise remain. Countries lagging in their socio-economic development also have, especially at the start of the transition period, a sizable share of feudal relations and sometimes even relicts of the patriarchal economy.

Lenin noted, for instance, that after the October Revolution, the following different economic types existed in Soviet Russia: 1) patriarchal, i.e., to a considerable extent subsistence peasant farming; 2) petty-commodity production (this includes the majority of peasants selling their grain); 3) private capitalism; 4) state capitalism; and 5) socialism.¹⁵ These were different types of economic structures, or sectors.

Consequently, socialist socialisation of production produces socialist relations of production, which, however, cannot all at once be turned into the dominant mode of production, and they develop as a socio-economic sector.

In the transition period, capitalist relations of production cease to be the dominant mode of production, but continue to exist for some time in the form of a definite social economic type, i.e., as a private-capitalism sector.

But in the transition period, capitalist relations of production may exist not only as a private-capitalism sector, and the record of socialist construction shows that there can also arise a peculiar system of production relations in the form of state capitalism, as a combination of two forms of property: socialist and capitalist.

Within the framework of that sector, there are concrete forms of the productive forces corresponding to the given type of production relations. A higher level in the development of the productive forces and technical equipment, as compared with the other socio-economic sectors, is characteristic, for instance, of the socialist sector, which emerges as a result of socialist nationalisation in the key branches of the economy, while the productive forces will be found in their most backward state in the peasants' patriarchal and petty-commodity production.

¹⁵ See V. I. Lenin, "'Left-Wing' Childishness and the Petty-Bourgeois Mentality", *Collected Works*, Vol. 27, pp. 335-336.

Each sector has its own general features of economic management and its own uniformities in the process of reproduction.

The socio-economic content of every sector is determined by the character of the political power and the economic policy conducted within the framework of the given socio-economic formation.

The socialist sector begins to develop only after the working class has taken over political power. The socio-economic content of state capitalism is also determined by the character of political power in the country, and there is a big difference between state capitalism developing within the framework of the capitalist system, and its existence in the period of transition from capitalism to socialism, i.e., under the dictatorship of the proletariat. The prospects for the evolution of the private-capitalism sector depend on which social class is in power.

That being said, it is now possible to define *sector*: it is a social type of economy based on an integral system of production relations and corresponding productive forces within the framework of the given socio-economic formation.

The Leading Role of the Socialist Sector

The economic order of a society in the period of transition to socialism has a wide variety of economic relations which are interwoven and interact with each other. The transition-period economy is in a state of constant evolution, as some economic relations develop, and others give way to more progressive ones. The balance of forces between the sectors is also in a state of fairly rapid change.

Dominant economic relations, the dominant sector to which all the other forms of the social economy are ultimately subordinated, always appear in any socio-economic formation.¹⁶

The economic history of the emergence, development and decline of socio-economic formations shows that there may be *formational and non-formational sectors*.

Formational sectors develop into the dominant mode of production which then determines the basic character of the given

¹⁶ See Karl Marx, *A Contribution to the Critique of Political Economy*, Progress Publishers, Moscow, 1977, pp. 212-213.

socio-economic formation, and these include the primitive-communal, slave-holding, feudal, capitalist and socialist sectors.

Non-formational sectors have never developed into a dominant mode of production, and these include, for instance, the patriarchal and the petty-commodity sectors.

In the period of transition from capitalism to socialism, the socialist sector is the leading formational sector in the economy. At the initial stages of socialist socialisation, it emerges, as a rule, from the nationalisation of the commanding heights of the economy: large-scale industry, means of transportation and communication, the banking system, and foreign and domestic trade. What is definitive in this process is not the fact of nationalisation itself, as a juridical act, but the fact that social property becomes the economic basis of the socialist sector, and this works a radical change in the substance of economic relations and enables the economic laws of socialism to operate within the framework of the socialist sector.

That is how the basic economic law of socialism, the law of proportional and balanced development of the economy, the law of distribution according to work, and other laws originate and begin to operate. These laws operate mainly within the framework of the socialist sector, but have a crucial influence on the development of the economy as a whole.

There are several factors behind the leading role of the socialist sector. First of all, the socialist sector has a much more progressive type of production relations as compared with all the other economic relations. In the socialist sector, the new economic relations bring the producers together as joint proprietors of the means of production and the results of their collective work. In other words, these are relations of comradely cooperation and mutual assistance between workers free from exploitation. These new, socialist relations of production provide the basis, even in the transition period, for such fundamentally new forms of economic management as planning, the working people's participation in the management of production, a wide socialist emulation movement, and so on.

The socialist sector also has the leading role because it ranges over all the key branches on which the development of the whole national economy depends. One should also bear in mind that the socialist sector usually has productive forces developed

to a higher level and enterprises with better technical equipment than those in the other sectors.

The socialist sector plays the leading role because, after the victory of the socialist revolution, political power is in the hands of the working class, the most advanced and organised class in the society, which gives the lead in socialist construction.

The socialist sector is, of course, the youngest of all the sectors existing in the transition period, and at the initial stages it is not yet economically strong enough, but from the outset it has the constant and active support of the socialist state and of the whole political system of socialism. Besides, it does not develop haphazardly, but under a plan. All these factors taken together determine the higher rate of development of the socialist sector, as compared with the others. In the transition period, the socialist sector gradually develops not only into the leading sector, but also into one which predominates in the national economy.

Other Transition-Period Sectors

In the period of transition to socialism, the *private-capitalism sector* is kept going for a certain period. In the towns, it consists of middle and small capitalist enterprises in various branches of the economy: industry, urban transport and construction. As a rule, it has fairly impressive positions in the sphere of the services, and especially in commerce. Capitalist elements also continue to operate in the countryside: farmers employing wage-labour, and also numerous shopkeepers, commission buyers of farm produce, owners of repair shops, etc.

The historical experience of socialist construction shows that the point is not to have the private-capitalism sector liquidated all at once, in a matter of days or weeks, through the enactment of a law on nationalisation. That cannot be done because the private-capitalism sector has to give way to the socialist sector, when it is capable of defeating capitalism in the economic sphere. Besides, it is tactically inadvisable to mount a simultaneous offensive against all the contingents of the bourgeoisie, and revolutionary experience shows that the working class effects its economic policy most successfully when it dismantles the positions of capital consistently and stage by stage.

In this way, the resistance of the bourgeoisie is markedly reduced.

The socialist state has a big role in the evolution of the private-capitalism sector in the transition period, as it applies the most diverse economic, administrative and legal instruments to that sector in order to regulate the scope, growth and lines of private-capital activity and to conduct a stringent taxation policy. Socialist legislation on the length of the working day, minimum wages and the use of female and child labour also becomes binding for the private-capitalism sector, and this markedly narrows down the sphere of capitalist exploitation and reduces its intensity.

The activity of capitalist enterprises is also under the control of the working people's trade unions. Working conditions, safety techniques and wages are among the important issues which can no longer be arbitrarily decided by the capitalist entrepreneurs.

In the transition period, an acute economic struggle flares up between the socialist and the private-capitalism sector to decide "who beats whom". *The contradiction between these two opposite sectors is the main contradiction in the economy in the period of transition from capitalism to socialism.*

The logic of the whole of socio-economic development in the period of transition to socialism is the ultimate triumph of the socialist sector over the private-capitalism sector.

The petty-commodity sector in the transition-period economy as a rule comprises the most numerous part of the producers: small and middle peasants, handicraftsmen, artisans, petty traders, etc. Although this sector is based on private property in the means of production, the socialist state takes a totally different attitude to it as compared with its attitude to the private-capitalism sector, because the property of the peasants, handicraftsmen and petty traders results from their own labours and they do not systematically employ wage-labour. That is why their property should not be nationalised but should be transformed into socialist property, and that only with the consent of the petty-commodity producers themselves.

However, it takes time and the necessary economic, political and psychological conditions to transform the petty-commodity sector into the socialist sector. Thus, the socialist state must have the requisite financial and material resources in order to

give the peasants effective assistance in the form of credits, seed, farming machinery, implements and skilled personnel. There is also a need to consolidate in every way the political alliance of the working class and the labouring peasantry with the leading role of the working class. The peasants also need some time to change their mind-set and see the advantages of collective socialist labour. That is why petty-commodity production continues to exist in the transition period, especially at its initial stages, and it certainly generates definite contradictions. There is continual social differentiation of the petty-commodity producers. In the transition period, petty-commodity production spontaneously generates some capitalist elements.

In the transition period, the socialist state strives to limit the class stratification among the petty-commodity producers. From the very outset of the transition period, there is a sharp reduction in the stratum of rural poor and the peasantry as a whole tends to move to the economic middle-ground. As socialist relations of production take shape, all the necessary conditions are created in the transition-period economy for transforming the petty-commodity sector into the socialist sector.

Countries lagging in their socio-economic development also have a *patriarchal sector* at the initial stages of the transition period. It consists of peasant farms which have virtually no connection with the market and are engaged in subsistence farming. That is the most backward type of farming both in the character of production relations and in the level of the productive forces.

The socialist state promotes the involvement of patriarchal farms in commodity-money relations through the medium of consumer, credit, marketing, supply and producer cooperatives.

What happens to the patriarchal sector ultimately depends on the socialist transformations in agriculture.

The State-Capitalism Sector

A *state-capitalism sector* has also existed in the transition-period economy in many countries. At first sight, the existence of such a sector could cause some surprise: indeed, is there not a contradiction between the very substance of the transition from capitalism to socialism and the policy of a socialist state aimed to promote some development of state capitalism in the economy?

The fact is that the essence of state capitalism is determined by the class nature of the state and the concrete political and social conditions in which it exists in various countries. What is definitive here is not the estatization of the economy itself or what is actually made the objective of the state's direct participation (the sphere of production, circulation, etc.), but *who* effects such estatization and in *whose* class interests.

Lenin pointed out that "in a capitalist state, state capitalism means that it is recognised by the state and controlled by it for the benefit of the bourgeoisie, and to the detriment of the proletariat".¹⁷

It assumes different forms depending, for instance, on the maturity of the capitalist relations of production. A distinction should be drawn between state capitalism under pre-monopoly capitalism and in the epoch of imperialism, when monopoly capitalism develops into state-monopoly capitalism. State capitalism also has its specific features in developing countries where power is in the hands of the local bourgeoisie. But however different the forms of state intervention in the economy in the capitalist society, state capitalism always has the same substance: it serves the class interests of the bourgeoisie and is directed against the proletariat.

State capitalism has a fundamentally different substance in the period of transition from capitalism to socialism, when the whole of economic development is directed by the victorious working class for the triumph of socialism over capitalism.

In the period of transition from capitalism to socialism, *state capitalism is a special form in which the activity of capitalist enterprises is subordinated to the dictatorship of the proletariat for the purpose of preparing the conditions for the socialist socialisation of production.* Lenin says that "state capitalism is capitalism which we shall be able to restrain, and the limits of which we shall be able to fix. This state capitalism is connected with the state, and the state is the workers, the advanced section of the workers, the vanguard. We are the state."¹⁸

¹⁷ V. I. Lenin, "Third Congress of the Communist International", *Collected Works*, Vol. 32, p. 491.

¹⁸ V. I. Lenin, "Eleventh Congress of the R.C.P.(B.)", *Collected Works*, Vol. 33 p. 278.

Lenin says that state capitalism under the proletarian dictatorship is an instrument for establishing state accounting and control, especially for containing the petty-bourgeois element which is extremely dangerous to socialism, an instrument for developing the productive forces, in particular by attracting foreign capital (concessions, lease, mixed companies), and for using bourgeois specialists to organise large-scale production, to help the working class master the art of economic management. It is a system of special methods and techniques for regulating capitalism and subordinating it to the plans and tasks of the socialist state. The movement of capitalism into state capitalism, says Lenin, signifies its subordination to regulation and control by the state of the proletarian dictatorship and to its economic policy and economic plans.

In sum, the multisectoral economy in the period of transition to socialism entails close interaction and struggle between the various socio-economic sectors, with the main struggle going forward between the socialist and the private-capitalism sector. The socialist sector builds up its strength under the political domination of the working class, and at the subsequent stages of the transition period expands not so much through the nationalisation of capitalist enterprises as the building of new ones (especially in the period of socialist industrialisation). At the same time, conditions are created for transforming state-capitalism enterprises into socialist enterprises. Finally, as a result of voluntary collectivisation among the peasants, the petty-commodity and patriarchal sectors are transformed in the transition period into a form of the socialist economy: the small and scattered farms are brought together in socialist producer cooperatives, thereby creating the necessary conditions for the victory of socialism in the national economy as a whole.

4. POLITICS IN THE TRANSITION PERIOD

Classes and the Class Struggle in the Transition Period

The struggle between the sectors ultimately amounts to class struggle, because the existence of each sector signifies the existence of a definite class.

In the transition period, there are three classes—the working class, the capitalist class, and the peasantry—which correspond to the basic economic sectors (the socialist, the private-capitalism and the petty-commodity sectors).

The capitalist class consists of the capitalist owners of the small and medium-size enterprises in the towns and the rural bourgeoisie in the countryside. The socialist revolution may have wrested political power from the bourgeoisie, but it has not eliminated it altogether, so that so long as the private-capitalism sector exists in the transition period, the bourgeoisie continues to hold some economic positions. Deprived of political power, the bourgeoisie usually tries to fight the proletarian dictatorship, and it does have some strength, especially at the early stages of socialist construction. It continues to have some financial resources even after nationalisation, it does have wide economic experience and, of course, a much higher standard of education than will be found in the victorious working class. It is also supported by a section of the bourgeois specialists.

The bourgeoisie's resistance tends to increase also because it relies on international capital, which is prepared to give it material and political support, and even in some cases, to mount armed intervention against the socialist state.

Yet the most important thing about the bourgeoisie's existence as a class in the transition period is that, overthrown politically and markedly weakened economically, it has ceased to be the ruling class.

The extent and forms of its resistance to socialist transformations depend above all on the balance of class forces in the country.

With respect to the bourgeoisie, the proletarian dictatorship conducts a policy of coercion and stringent control for the purpose of eventually liquidating it as a class.

The adversaries of existing socialism claim that such a policy is extremely undemocratic, so that the proletarian dictatorship is the antithesis of democracy. Let us recall, at this point, that the proletarian dictatorship does not amount only to coercion by the revolutionary power against the bourgeoisie, and that its most important functions are those of construction and education.

What is also important is that the establishment of the proletariat's class domination signifies the emergence of genuine democracy for the masses of working people. The proletarian dictatorship is coercion against the numerically small bourgeoisie for the benefit of the absolute majority of the nation. It would be a bad mistake to assume that coercion is the function of the proletariat's revolutionary power alone. The historical record of revolutions, including the tragic experience of defeated revolutions, shows very well that, whenever it can put down a revolution with the use of brute force, the bourgeoisie drowns any popular movement in blood. In other words, the bourgeoisie has always fought and continues to fight against the people's power with the use of all the undemocratic ways and means at its disposal.

It is also wrong to oversimplify the concept of "liquidating the bourgeoisie as a class", for it does not imply any physical elimination at all. The liquidation of the bourgeoisie involves the liquidation of capitalist property and a change in the status of the bourgeoisie in the society. In other words, the members of the capitalist class come to have the same status with respect to the means of production as all the other members of the socialist society.

The peasantry has a special place in the class structure of the society on its way to socialism. As a class, the peasantry is not homogeneous: the wealthiest part of it exploits the rural workers and makes up the rural bourgeoisie, while the bulk of the peasantry are labouring people who own the means of production but do not resort to the systematic use of agricultural labourers working for a wage.

The peasantry, like the whole of the petty bourgeoisie, has an intermediate position between the bourgeoisie and the proletariat. On the one hand, the peasants have a vital stake in socialism, because the peasant is by nature a working man living off his own labour without exploiting wage-workers. Under capitalism, the labouring peasantry is itself subjected to exploitation by the bourgeoisie, and is, as a rule, forced to sell its produce at depressed prices, and to buy manufactured goods at inflated prices. In the capitalist society, with its ruthless competition, the peasants are always faced with the prospect of losing their means of production and being ruined.

Immediately after the socialist revolution, the peasants are given an opportunity markedly to improve their material condition. Agrarian reforms give them title to the land they cultivated themselves. In the transition period, the social differentiation of the peasantry is sharply reduced, and this means that the reasons for which peasants are ruined and impoverished have disappeared. They have greater confidence in the future, and there is a marked change in their social conditions: illiteracy is eliminated, medical services are improved, and peasant children can receive both a secondary and a higher education.

But there is also another aspect to the peasant's social condition: he is not only a labouring man, but also a proprietor of the means of production. One could say that every peasant hopes to get rich and to increase his private property: to buy more land, several more cows or agricultural machines.

One should also bear in mind that from generation to generation the peasant has been habituated to slavish attachment to property, notably the land, and it is very hard for the peasant to accept the idea of giving up his private property. This twofold nature of the peasant (a working man and also a proprietor of the means of production) explains his vacillation between the proletariat and the bourgeoisie in the period of transition to socialism. Such vacillations are less characteristic of the peasant poor, and more characteristic of the middle peasant. In the class-divided society, the working class, which has the leading role in the struggle for socialism, is the peasant's sole and trusty ally. Yet its leading role does not at all imply that the peasantry is to be impressed into socialist construction. The labouring peasantry has to be convinced of the advantages of the new system and to accept socialism voluntarily.

In the period of transition from capitalism to socialism, the proletarian dictatorship pursues a policy of reliance on the peasant poor and a policy of alliance with the middle peasant in the fight against the rural bourgeoisie. Lenin stresses that "the proletariat, after having defeated the bourgeoisie, must unswervingly conduct its policy towards the peasantry along the following fundamental lines. The proletariat must separate, demarcate the working peasant from the peasant owner, the peasant worker from the peasant huckster, the peasant who labours from

the peasant who profiteers. In this demarcation lies the *whole essence* of socialism."¹⁹

In the period of transition to socialism, there is a sharp struggle to win over the intelligentsia for socialism. The intelligentsia is a social stratum consisting of men and women professionally engaged in work by brain (engineers, technicians, teachers, physicians, researchers). Intellectuals do not constitute a special class, because the distinction between classes depends mainly on their different status with respect to the means of production.

In the capitalist society, a part of the intelligentsia, especially that part of it whose members come from the midst of the exploiter classes and the wealthier strata of the society, has a privileged status as compared with the other working classes and social strata of the population, and this has led many intellectuals to adopt the bourgeois world view. However, even in the capitalist society, a large section of the employees and intellectuals come very close to wage-workers in living condition and status within the system of social production, and join the labouring peasantry in becoming allies of the working class.

In the transition period, the intelligentsia is highly heterogeneous in political terms. A part of it is most actively involved in the socialist revolution and promotes the success of the socialist state. The revolutionary intelligentsia takes a firm stand on the side of the working class and socialism.

By contrast, other intellectuals take a hostile attitude to the proletariat's political victory and openly side with the counter-revolution. Working in the state apparatus, such intellectuals are actively involved in sabotaging the key political and economic projects of the revolutionary power and try to discredit the very idea of socialism and to spread doubt about the possibility of establishing it by writing in the press and making public statements. Whenever counter-revolutionary activity within the country becomes more difficult, many of these bourgeois-minded intellectuals prefer to go abroad and to continue their subversive activity as exiles.

A sizable part of the intelligentsia consists of people who have not yet taken the final choice after the socialist revolution, and

¹⁹ V. I. Lenin, "Economics and Politics in the Era of the Dictatorship of the Proletariat", *Collected Works*, Vol. 30, p. 113.

continue to vacillate. These are, as a rule, skilled specialists in their field who have little knowledge of the Marxist-Leninist theory or none at all. That is why in the transition period there is a shortage of skilled personnel, and one of the key tasks of the proletarian state is to recruit bourgeois specialists for the working class and socialism. At the same time, one task in the transition period is to mould a new, socialist intelligentsia from the working people, i.e., the workers and peasants.

The Leading Role of the Working Class

The working class is the leading force of the revolutionary transformations in the transition period, and it has the leading role in socialist construction because it is the most advanced, conscious and organised class. It is the chief force of social development and expresses the interests of all the working masses. The working class has its own political vanguard, the Marxist-Leninist party, which is guided by Marxism-Leninism, the truly scientific world view.

The working class can play its leading role not only because it has been prepared to do so by the whole course of the revolutionary struggle it has led in the run-up to the socialist revolution. During the transition period, the proletariat itself develops into a socialist working class, which is why it is capable of leading the whole of socialist construction and exercising the functions of construction and education.

The shaping of the Soviet working class epitomises the development of the working class after a socialist revolution. In 1919, Lenin wrote: "Having overthrown the bourgeoisie and conquered political power, the proletariat has become the *ruling* class; it wields state power, it exercises control over means of production already socialised; it guides the wavering and intermediary elements and classes; it crushes the increasingly stubborn resistance of the exploiters. All these are *specific* tasks of the class struggle, tasks which the proletariat formerly did not and could not have set itself."²⁰ That shows very well how the proletariat changes its character as a result of the establishment of its dictatorship, i.e., as a result of its winning of political

²⁰ V. I. Lenin, "Economics and Politics in the Era of the Dictatorship of the Proletariat", *Collected Works*, Vol. 30, p. 115.

power and the taking over of the most important economic instruments in the national economy. The transformation of the proletariat of Russia into the ruling political and economic class after the October Revolution started its development into a socialist working class, a process which was successfully completed with the triumph of socialism in the USSR.

In the transition period, the shaping and development of the new relations of production entailed the transformation of the proletariat of Russia into a socialist working class, which not only grew numerically but also changed its mentality, its social and political face, acquired new features and standards of behaviour and morality according with the substance and tasks of a socialist society under construction.

In order to provide a new technical basis for industry, there was a need sharply to raise the general educational and technical standards of the Soviet workers, and the importance and pressing nature of the problem became especially manifest in view of the need to master new hardware and build up new industries. The young people who went to work at the Stalin-grad Tractor Works were faced with the totally new hardware and technology of batch production, and they recalled: "The machine-tools were cleverer than us, we did not run them, they ran us." The bourgeois press was happy and gloated: "The top-ranking commissars believe in earnest that 7,200 untrained teenagers, 35 per cent of them girls, can imitate overnight the methods of Ford, which it took a lifetime to develop."²¹ Indeed, the collectives of that and other plants had initially to face great difficulties, but the workers successfully mastered the hardware and technology of batch production and these enterprises began to operate at full capacity in an incredibly short time.

In the first five-year period (1928-1932), there was a mass campaign under the party's leadership for workers and especially young people to acquire technical knowledge, and it became a broad movement ranging from the elimination of illiteracy and semi-literacy to the mastering of the latest technical devices. Factory training schools became the main form for the training of skilled workers, and a wide network of technical schools, special courses and circles was set up at the enterprises, with

²¹ *Vossische Zeitung*, Berlin, September 14, 1930.

workers' education combines offering specialty training for young workers.

The new qualities of the Soviet working class were fully and vividly brought out in the period of socialist industrialisation, in which the people exerted tremendous efforts to overcome its age-old backwardness, lay the foundations of a socialist economy and build a socialist society.

Changes in the nature of the relations of production and development of socialist relations of production underlay the process of the proletariat's development into a socialist working class, but the shaping of its new, socialist features was not confined only to a change in its attitude to the means of production of which it was now the master. At the enterprises of the socialist sector there was also a change in the social make-up of the working class, above all in the workers' attitude to work and labour discipline, as the working class developed the socialist features of the master of production free from wage-slavery and capitalist exploiters.

The acquisition by the Soviet working class of its new features largely depended on its education in the new, socialist attitude to work. In the period of socialist industrialisation, in which millions upon millions of men and women were drawn into the ranks of the working class, the peculiarities of the social mentality of the various strata of the new contingents of working people and its distinction from the mentality of the old hands among the workers were most keenly felt. Most of the new labour force came from the countryside, and these men and women brought with them petty-bourgeois attitudes and habits frequently expressed as a careless attitude to work and breaches of discipline, while many kept moving from job to job. The habits, ethics and mental attitudes among millions of new workers coming from the non-proletarian environment were gradually remoulded through the party's great educational effort and the influence of the hard-core workers and of the whole socialist way of life. The seasonal peasant worker with his tunnel view of the world confined to the interests of his farm developed into a hard-core worker and a conscious builder of socialism.

That kind of qualitative leap in the workers' mentality did not, of course, occur all at once, as will be seen, for instance,

from the reminiscences of the Soviet miner Alexei Stakhanov, the man who sparked off a mass movement for the new attitude to work. He asks: "What did I try to attain in life?" His answer is: "a) Initially, to have my fill; b) then to earn more; c) to win 'human respect'; d) as my class awareness developed, I wanted to prove that the pit, the whole collective could not do without me; and e) eventually I got to understand 'the need to be better and higher than I was'."²²

In the transition period, it took much less time to transform the new arrival into a cadre worker. It took on average from three to five years of work in a socialist enterprise collective for the new workers to develop the basic features of the hard-core worker mentality.

Participation in running production and the society is the most important new quality of the Soviet working class which radically distinguishes it from the old proletariat. The Soviet worker, the true master of production, develops his new qualities through activity at production meetings, in the mass movement for a socialist attitude to work, in shock-work and innovators' movements, and so on.

Socialist construction itself exerted a tremendous educational influence in moulding the new, socialist mentality of the whole working class. The Soviet workers were the leading force of these socialist transformations, while actually witnessing the emergence, as a result of their heroic efforts, of the giants of Soviet industry and the socialist transformation of every aspect of social life. The improvement of their social and material condition was also highly important. The complete elimination of unemployment was a great historical achievement, supplies were improved, wages rose, a wide network of child-welfare institutions was built up, and new libraries, houses of culture, theatres and educational establishments were opened up everywhere.

The Economic Policy of the Proletarian-Dictatorship State

The role of the political superstructure, and especially of such an important element of it as economic policy, acquires excep-

²² Alexei Stakhanov, *The Miner's Life*, Politizdat of the Ukrainian SSR, Kiev, 1975 (in Russian).

tional importance in the period of transition from capitalism to socialism. The growing role of the political superstructure and the subjective factor in social life is a characteristic feature of socialist construction generally. The influence of the political superstructure on the economic basis tends to become highly important, because the basic antagonistic contradiction in the transition-period economy between the emerging and developing socialism and the defeated but not-yet-destroyed capitalism cannot be left to resolve itself, but has to be tackled through purposeful, planned and organised influence by the revolutionary power on the whole range of basic economic relations. There is also the need to bear in mind that the establishment of the proletarian dictatorship produces a contradiction between the advanced political power and the backward technical and economic basis remaining from the old society, a situation in which the crucial factor behind the whole of socio-economic development in the transition period consists in the revolutionary state's scientifically-grounded economic policy.

The scientific principles of this policy were formulated by Lenin in the spring of 1918, but it could be put into practice only several years later, after the end of the civil war and the foreign intervention. These brought economic dislocation in their train and forced the Soviet government to conduct a policy of "war communism", because extraordinary measures alone could help to defeat the internal counter-revolution and the imperialist powers' intervention. The state did not have at its disposal the manufactured goods which the peasants required, and obtained the necessary farm produce by instituting compulsory food requisitioning differentiated by classes. All economic management was centralised in the hands of the state agencies, and universal labour-service was introduced. The extremely limited stocks of consumer goods and food had to be rationed and free trade was prohibited.

The "war communism" policy practised in Soviet Russia under extraordinary circumstances is not a necessary stage in the period of transition to socialism. When the war ended and the country got down to peaceful socialist construction in 1921 a New Economic Policy (NEP) was introduced as an economic instrument *to ensure the triumph of the socialist relations of production* in a multi-sectoral economy.

The NEP policy consisted of a set of scientifically-grounded measures ultimately designed to help socialism beat capitalism. It was aimed, first of all, to *concentrate the commanding heights in the hands of the socialist state*. This means that the economic policy of a proletarian-dictatorship state can be successful and effective provided the state sector in the economy is given priority development in the crucial spheres of economic life: large-scale industrial enterprises, the basic means of transport, the financial and banking system, foreign trade and wholesale marketing.

The development of the socialist sector in the economy under a single plan is another necessary strand of economic policy in the transition period. A milestone in the history of socialist planning was marked by a plan known as GOELRO (State Plan for Electrification of Russia), which was drawn up on Lenin's initiative and with his direct participation, and approved by the Eighth All-Russia Congress of Soviets in December 1920. The GOELRO plan was the first extensive programme in human history aimed to transform the economy of a vast country and designed for laying the foundations of a socialist society within 10-15 years, and that is what gives it an abiding significance. It was the first state long-term plan which laid down the guidelines for electrification and a production programme for the key industries, transportation and agriculture.

The state food plan for 1921-1922 was also drawn up on Lenin's initiative. Its main task was to ensure priority supplies for the working people in the major industrial centres so as to rehabilitate the national economy.

The first current plan in industry was an outline plan for fuel supplies in 1921, aimed to overcome the fuel shortage. Plans for a number of industries, including metallurgy, chemistry, textiles and the sugar production, were subsequently formulated, with most of them initially containing approximate figures. As experience in planning was gained and these plans became more solidly grounded, they were turned into directive assignments.

Thus, for 1921 and 1922, the State Planning Committee approved economic plans only for metallurgy, the sugar industry, and the rubber industry, for 1922-1923 programmes were approved for 13 industries, for 1923-1924—19 industries, and for

1924-1925—22 industries turning out 65-70 per cent of state industrial output. The first consolidated annual plan for socialist industrial development was drawn up for 1925-1926 and set targets for all the main industries which were tied in with each other.

In 1928, the Soviet Union was able to start drawing up and implementing the early five-years plans.

Economic policy in the transition period also requires *the balanced regulation and use of commodity-money relations and ties between socialist industry and the petty-commodity peasant economy.*

With the future of socialism depending on economic cooperation between the working class and the labouring peasantry, Lenin set the following task in the transition period: "Link up with the peasant masses, with the rank-and-file working peasants, and begin to move forward immeasurably, infinitely more slowly than we expected, but in such a way that the entire mass will actually move forward with us. If we do that we shall in time progress much more quickly than we even dream of today."²³

Lenin's economic policy was aimed to involve the peasants in socialist construction and envisaged the building of socialism through the joint labour effort of the workers and peasants on the assumption that, with industry so underdeveloped, the market was the only way to provide an economic connection between the mass of the small farmers and socialist industry. Lenin declared the mastering of trade to be the main task facing the party and the state at that stage, the focus of efforts to ensure the successful fulfilment of the tasks of socialist construction.

Consequently, the NEP was designed to exert an influence on the petty-commodity economy through trade between town and country, so as to prepare the peasantry for advancing to socialism.

The political substance of the NEP was to strengthen the alliance of the working class and the labouring peasantry: "The essence of this policy is the alliance of the proletariat and the

²³ V. I. Lenin, "Eleventh Congress of the R.C.P.(B)", *Collected Works*, Vol. 33, pp. 271-272.

peasantry, the union of the vanguard of the proletariat with the broad mass of the peasants."²⁴

The fact that under the NEP the peasant was entitled to dispose of his surplus produce according to his own lights created the economic basis for the political alliance of the working class and the peasantry and strengthened it. The use of commodity-money relations, the expansion of commerce, and the elimination of food-requisitioning gave an impetus to the development of agriculture, the rapid rehabilitation and rise of large-scale socialist industry, and improvement of the whole people's living conditions.

The use of state capitalism, the limited and temporary acceptance of private capital for the benefit of socialism is a key aspect of economic policy in the transition period. When this was done in Soviet Russia, it caused bewilderment and even drew protests from some members of the ruling party. After all, free trade under the prevailing private-property peasant farming in the countryside led to a growth of the capitalist elements, while the need to meet the peasants' demand for manufactured goods made it necessary to tolerate private-capitalist production in industry. As a result there was some revival of capitalism. Many of those party members who were bewildered were dedicated to the revolution, but they failed to understand the objective need for pursuing the NEP in the concrete historical conditions prevailing in the country in that period. They did not understand that since the commanding heights of the economy were in the hands of the state, and since it exercised control over private capital, it was able not only to safeguard the foundations of the proletarian dictatorship, but also to consolidate it through the economic and political alliance of the working class and the peasantry, the main condition for the triumph of socialism over capitalism. The proletarian-dictatorship state exerted an influence on the range and volume of goods turned out by the capitalist enterprises through a system of contracts, state credits and other economic instruments and so contained their haphazard and uncontrolled development.

The question of state capitalism emerging in the transition

²⁴ V. I. Lenin, "Ninth All-Russia Congress of Soviets", *Collected Works*, Vol. 33, p. 171.

period in the form of concessions made available to foreign capital, leases of state enterprises to domestic private capital, and mixed joint-stock companies operating in the sphere of production and circulation, trade on a commission basis, and co-operation was theoretically and practically worked out by Lenin.

In the light of historical development, state capitalism in the transition period is a lower economic form, as compared with socialism, but it is a higher and more progressive economic form, as compared with private-capitalist, petty-commodity and patriarchal production, because it involves large-scale machine production, new hardware and technology and better organisation of production. The proletarian-dictatorship state fully controls its development and uses it to contain the petty-bourgeois element, which is extremely dangerous to socialism, to arrange state-wide control of production, and to train workers in the complex business of organising and managing large-scale production.

The proletarian-dictatorship state presides over a *persistent struggle between socialist and capitalist elements*. The main contradiction of the transition period is that between socialism and capitalism, and it is resolved in the course of the class struggle, whose forms and bitterness depend on the concrete internal conditions in a given country and on the external political situation. Lenin identified several forms of class struggle under the proletarian dictatorship and emphasised that these were new forms, i.e., forms arising in connection with the new tasks of the transition period: first, suppression of the exploiters' resistance; second, civil war; third, "neutralisation" of the petty bourgeoisie, notably the peasantry; fourth, "use" of the bourgeoisie and bourgeois specialists; and fifth, education of the workers in a new discipline and a new attitude to work.²⁵

The NEP is, therefore, an economic policy conducted by the state in a multisectoral economy in the period of transition from capitalism to socialism. It implies the concentration of the commanding heights of the economy in the hands of the state, development of the socialist sector of the economy under a single plan, balanced regulation by the state of market ties between socialist industry and the petty-commodity peasant economy, use

²⁵ See V. I. Lenin, *Complete Works*, Vol. 39, Politizdat, Moscow, 1963, pp. 453-461 (in Russian).

of state capitalism for the benefit of socialism, limitation and temporary tolerance of private capital, and a persevering struggle of the socialist elements against the capitalist elements to help socialism beat capitalism.

The basic principles of the NEP were characteristic of economic policy in the transition period in other socialist countries as well, and that is why this policy is of great international importance.

In our day, the basic principles of the NEP are of great theoretical and practical interest for the socialism-oriented countries.

5. LENIN'S PLAN FOR BUILDING SOCIALISM IN THE USSR

Socialist Industrialisation

In his last speech on November 20, 1922, Lenin voiced his firm conviction that NEP Russia would develop into a socialist Russia, and he said this at a time when long years of hard endeavour still lay ahead if the socialist economic sector was to triumph throughout the country, and the historic issue of "who beats whom?" was finally settled in favour of the working class and other working people. He emphasised: "Socialism is no longer a matter of the distant future, or an abstract picture, or an icon... We have brought socialism into everyday life and must here see how matters stand. That is the task of our day, the task of our epoch."²⁶

Lenin's plan for building a socialist society envisaged socialist industrialisation, socialist transformation of agriculture and a cultural revolution, with socialist industrialisation playing the key role.

Like any other social system, socialism can develop only on a material and technical basis that is adequate to it, which is why Lenin stressed that "a large-scale machine industry capable of reorganising agriculture is the only material basis that is possible for socialism".²⁷ Accordingly, the Soviet working class and

²⁶ V. I. Lenin, "Speech at a Plenary Session of the Moscow Soviet, November 20, 1922", *Collected Works*, Vol. 33, p. 443.

²⁷ V. I. Lenin, "Third Congress of the Communist International", *Collected Works*, Vol. 32, p. 459.

its Communist Party were faced with the exceptionally difficult task of ensuring an economic basis that accorded with the advanced political system, a task fulfilled in the process of socialist industrialisation.

Within the framework of the overall task of building up the material and technical basis of socialism, socialist industrialisation helps to fulfil several other important tasks: it

makes it possible steadily and rapidly to raise labour productivity, the necessary condition for asserting the new—socialist—mode of production;

radically transforms the structure of the national economy, with modern large-scale industry playing the leading role and exerting an influence on all the other branches of the economy; helps to establish the most efficient national-economic proportions ensuring the normal course of expanded reproduction; and

helps to increase the size of the working class, whose concentration at modern large-scale enterprises consolidates the proletariat's political positions.

If socialism is to triumph, large-scale socialist machine production has to be established both in industry and agriculture. In the state sector, this was done by the establishment of large-scale highly mechanised agricultural enterprises on the nationalised land (state farms). These consistently socialist-type farms provide a solid basis for socialist transformations in the countryside.

The Ruling Party's Role

The dictatorship of the proletariat—the establishment of the proletariat's state power—is the main content of the socialist revolution and the main outcome of its victory.

The Communist Party, the leading and organising force of the socialist society and the core of the whole political system of socialism, has a special place within the system of proletarian dictatorship as the vanguard of the working class. In the period of socialist industrialisation in the USSR, the party's guidance of the economy was steadily increasing, as it tackled these main tasks: formulation of economic policy, strategy and tactics; conjunction of political and economic effort; and exercise of systematic control and verification of how the party's decisions were being fulfilled by economic and Soviet-government bodies. The

party directed the creative activity of tens of millions of people on the scale of the whole country, at every factory, plant and construction site.

The great effort in industrial construction and the socialist reconstruction of the society called for a higher level of the party's political and organisational work.

The realisation of Lenin's industrialisation plan depended on the extent to which party organisations and every Communist acted as organisers of the masses in the drive for the society's reconstruction on socialist lines. Priority was given to production activity, the boosting of labour productivity and improvement of labour organisation, the tightening of production discipline and the raising of the working people's political activity. As the country entered the period of reconstruction, the numerical strength of the working class markedly increased and its political consciousness and ideological commitments were enhanced. Most of the new party members came from the working class.

The party made use of every form and instrument of ideological and political influence to muster the working people to dedicated struggle for rapid socialist construction and fulfilment of five-year plans ahead of schedule.

The ideological and political level of party members had to be raised above all in order to overcome the attempts to revive factionalism within the party. The ideology of Marxism-Leninism was asserted in every sphere of the Soviet society's spiritual life in sharp struggle against bourgeois and petty-bourgeois ideology, and against the anti-party ideas of the Trotskyites, the right-wing opportunists and the national-deviationists who distorted Marxism-Leninism.

The mass media, among them periodicals, the radio and the cinema, were effective vehicles of the party's influence. Various forms of oral agitation were activated. The party regularly held "political days", mass meetings, and talks on the shop floor, in the workers' clubs and hostels. Speeches delivered by party leaders at mass meetings, at meetings of party activists and at congresses of Soviets had a great mobilising effect.

The party strove to educate a new attitude to work among the masses, helped them to understand the class substance of the struggle against the remaining capitalist elements, and

worked to improve the activity of mass cultural and educational institutions, whose main task was to organise assistance to the working people in their self-education and political enlightenment, and to put them in touch with socialist culture, based on the best accomplishments of world culture.

The leadership of the working masses by the working class, of which the Marxist-Leninist party is the core and vanguard, is one of the most important uniformities governing the development of any country taking the socialist way.

The Role of the Trade Unions

The role of the trade unions is increased with the spread of economic development in the period of reconstruction.

In the early 1920s, when a sharp discussion on the trade unions was under way in the party, Lenin clearly defined the fundamental differences between the tasks and activity of the trade unions under capitalist exploitation, and under the political domination of the proletariat. He showed the new content of all trade-union work in the period of socialist construction and formulated the basic principles of relations between the ruling party, the socialist state and the trade unions.

It is quite natural for the trade unions to be in opposition to the government in a capitalist state, with its social inequality and exploitation. Under capitalism, the trade unions act in defence of the working people's interests. The socialist revolution brings about a fundamental change in the political power of the state: the working class establishes its political domination and takes over the commanding heights in the economy. The proletarian state sets itself tasks which meet the vital interests of all the working people, and that is why there is a radical change in the tasks and methods of trade-union work. In the course of socialist construction, the trade unions are involved in taking decisions on all the key social problems in the society. Under capitalism, trade unions are corporate organisations, but under the proletarian dictatorship they develop into mass organisations of the working people and a school of communism. While still defending the interests of the working people in the course of socialist construction, the trade unions acquire constructive functions in organising labour and production discipline.

In April 1918, writing on the immediate tasks of the Soviet government, Lenin contrasted the behaviour of workers before and after the triumph of the socialist revolution, and noted: "Keep regular and honest accounts of money, manage economically, do not be lazy, do not steal, observe the strictest labour discipline—it is these slogans, justly scorned by the revolutionary proletariat when the bourgeoisie used them to conceal its rule as an exploiting class, that are now, since the overthrow of the bourgeoisie, becoming the immediate and the principal slogans of the moment."²⁸

But the trade union's participation in the proletarian dictatorship system does not mean that they have to be turned into state or political organisations. The political party, the state and the trade unions are linked by a common basic purpose, but they have different practical functions. Lenin pointed to the need to demarcate the functions of party and Soviet organs, "to increase the responsibility and independence of Soviet officials and of Soviet government institutions, leaving to the Party the general guidance of the activities of all state bodies".²⁹ The socialist state does not exercise control of trade-union activity, but the activity of the state agencies is subject to social control in which the trade unions are also involved.

In the course of industrialisation, measures were put through to enhance the role of the trade unions in raising labour productivity, tightening labour discipline and developing the creative activity of the working class.

The Socialist Transformation of Agriculture

Petty-commodity farming needs to be transformed into large-scale mechanised socialist farming because of the need to develop the productive forces in that sector of the economy and because of the specific relations of production in the socialist society.

In the period of industrialisation, small peasant farms cannot

²⁸ V. I. Lenin, "The Immediate Tasks of the Soviet Government", *Collected Works*, Vol. 27, pp. 243-244.

²⁹ V. I. Lenin, "Letter to V. M. Molotov for the Plenary Meeting of the C.C., R.C.P.(B.) with the Plan of the Political Report for the Eleventh Party Congress", *Collected Works*, Vol. 33, p. 253.

meet the food requirements of a growing urban population or supply industry with adequate quantities of raw materials. They cannot, as a rule, use modern farm machinery and progressive agronomic techniques and so engage only in simple reproduction. What is also important is that the small peasantry is a vehicle of private-property trends which spontaneously generate capitalist elements and which are, for that reason, alien to socialism. In the transition period, the socialist state contains this process by means of relevant legislation and a set of economic instruments, but that does not solve the problem, which is why there is a need to eliminate the possibility of a revival of capitalist relations of production and to establish the undivided domination of socialist relations of production by transforming petty-commodity production into large-scale socialist production.

The socialist transformation of agriculture is one of the most difficult and challenging tasks of the proletarian revolution. Let us bear in mind the two-fold character of the peasant: on the one hand, he is a private proprietor and a potential vehicle of capitalist relations; on the other, he is a labouring man and a natural ally of the working class. That is why it is not right to apply to the peasants the policy of expropriation which is applied to the bourgeoisie.

The ways of tackling socialist construction in the countryside and so ensuring the construction of socialism in the USSR were set forth in *Lenin's cooperative plan*. It says that, with the basic means of production held by the workers' and peasants' state, cooperation is the best form for involving the peasants in large-scale agricultural socialist-type production, the form the peasants can best understand and accept.

Lenin kept stressing that this process has to be voluntary and gradual, and that the whole work of socialising agricultural production should be carried out by means of persuasion, instead of coercion, and personal material incentives for the peasants. Cooperative farms should be managed on the principle of economic calculus, with strict observance of the principles of remuneration according to labour, a task that cannot be fulfilled spontaneously, without efforts to overcome the forces and traditions of the old society, and without guidance of this process by the working class and its party.

A number of preliminary measures put through for the pur-

pose of creating the material and political prerequisites for the peasants' transition to collective farming are a component part of Lenin's cooperative plan. Among the most important of these are:

full or partial nationalisation of the land and its allocation for gratuitous use by the peasantry or its conversion into peasant property;

utmost development initially of the simplest, lowest forms of cooperation: credit, supply, marketing, joint use of implements and collective cultivation of the soil; these are a preparatory stage for going over to the higher form of cooperation: cooperation in production;

socialist industrialisation gradually narrowing down the sphere of activity of capitalist elements in production and exchange, and providing the cooperatives with farming machinery;

establishment on the nationalised land of large-scale state farms setting an example of rational farming, acting as vehicles of technical progress in the countryside, spreading new methods of production and helping the peasants in every way to go over to collective farming;

establishment of state machine-and-tractor stations giving the poor and middle strata of the countryside and the cooperatives assistance on easy terms in managing their farms;

new credit and taxation policies by means of which the state regulates the accumulation of funds in the countryside and involves the peasants in every form of cooperation; and

use of contracts with the state to introduce the principles of planning on the individually-run peasant farms, so as to promote the growing of labour-intensive crops, guarantee the cooperatives the marketing of their produce at fixed prices, and create stable ties between the countryside and state procurement and supply agencies.

All of these basic preparatory measures are designed to contain the exploitive urges of the bourgeois strata in the countryside and the private-capitalist middle-men in the commodity turnover. With that end in view, the size of private land holdings is limited, as also is the lease of the poor farmers' lands by the rural bourgeoisie and exploitation of wage-labour.

These and similar other measures aimed against the private-capitalist elements in the countryside inevitably sharpen the class

struggle. The Communist and Workers' parties give a lead to broad masses of peasantry in overcoming the resistance of the hostile elements and advancing along the way of socialist construction. The peasants' switch to large-scale socialist production marks a great revolution in the economic relations of the society, and in the peasants' whole way of life, holding out to them broad opportunities for raising their well-being and cultural standards.

The Cultural Revolution

At the dawn of the socialist revolution in Russia, Lenin gave this concise formulation of the basic task facing socialist culture: "To raise the very lowest strata to making history."³⁰

The only way to fulfil this difficult task was to carry out *a cultural revolution, which means radical changes in the production, distribution and consumption of spiritual values, going forward in the society in the process of socialist construction.*

The main goals of the cultural revolution involve the moulding of the new man of the socialist society, who is not only free from every form of oppression and enslavement, but who is also harmoniously developed physically, spiritually and morally. These are all goals which the society cannot, of course, attain in a relatively brief span of development, and that is why the cultural revolution is a more or less protracted historical process going well beyond the framework of the transition period.

In the transition period, the cultural revolution has to tackle a number of difficult tasks, among them: the creation of a new public education system and the attainment of universal literacy; the spread of scientific knowledge among workers and peasants; the assimilation of mankind's cultural patrimony; the development of a new culture that is national in form and socialist in content; the assertion of the socialist ideology and morality in the working people's consciousness; the training of a new body of specialists for the national economy and culture, and a new intelligentsia devoted to socialist ideals and the building of socialism. These tasks of the cultural revolution are common to all the countries engaged in socialist construction.

³⁰ V. I. Lenin, "From a Publicist's Diary", *Collected Works*, Vol. 36, p. 462.

It takes highly skilled specialists and workers to build socialism and develop a modern industry and agriculture, but the cultural revolution has tasks going beyond the training of personnel for the socialist economy. Socialist construction results from conscious revolutionary effort by masses of working people, which is why they have to be involved in politics, and helped to acquire scientific and technical knowledge and to understand the values of culture. The people's whole spiritual life is made to rest on the principles of the scientific socialist ideology, in contrast to the bourgeois ideology, which is dominant in the capitalist society. In the transition period, Marxism-Leninism becomes the dominant ideology.

The cultural revolution also brings about a radical change in the working people's everyday mentality, as they increasingly discard petty-bourgeois attitudes and habits, such as the thoughtless or narrow-minded attitude to social wealth and labour.

The cultural revolution which was carried out in the Soviet Union in a brief historical period turned it into a state with advanced, socialist science and culture.

The cultural revolution led the labouring masses out of the darkness of their spiritual slavery and gave them access to the riches of culture accumulated by mankind. A gigantic leap to the summits of science and culture was made by a country the bulk of whose population had once been illiterate.

6. THE VICTORY OF SOCIALISM IN THE USSR AND ITS INTERNATIONAL SIGNIFICANCE

The period of transition from capitalism to socialism culminates with the establishment of the undivided domination of the socialist mode of production. Economic laws proper to earlier socio-economic formations gradually lose their force and give way to the economic laws of socialist production.

The Victory of Socialism

The experience in building a socialist society shows that, however diverse the conditions of transition from capitalism to socialism or the forms, methods, pace and size of the tasks in building up the material and technical basis of socialism, the victory of socialism signifies the following:

the liquidation of capitalist property, the transformation of small-scale private property, and the establishment of socialist property in two of its forms: state property and cooperative property;

the formation of the socialist relations of production, which rule out man's exploitation of man;

the elimination of the anarchy of production, crises and recessions, and the introduction of balanced and planned economic development ensuring a steady growth of production and the people's well-being;

the establishment of a new type of distribution of consumer goods and services depending on the quantity and quality of labour put by each working person into social production;

the liquidation of class, racial, national, social-estate and other privileges and the guarantee of actual social equality to all citizens; and

the creation of a fundamentally new type of democracy—socialist democracy—giving every working person the opportunity of actually taking part in managing the affairs of the production collectives and of the society as a whole.

As socialism is established, there is a change in the class structure of the society, leaving two friendly classes—the working class and the cooperative peasantry—and a working intelligentsia rooted in these two classes.

The cultural revolution, which is carried out in the transition period, helps to raise the working people's political consciousness, and their cultural, educational and technical standards so making it possible to eliminate the contrast between mental and manual labour which always exists in the exploiter social systems under which it allows the ruling classes to monopolise the fruits of mental labour while forcing the exploited masses to do the arduous manual labour. Under socialism, there are only some socio-economic distinctions between mental and manual labour.

Once socialism wins out, the working people of the socialist countries begin to enjoy benefits that are beyond the reach of the bulk of the population in the capitalist countries.

In the socialist countries, all citizens have access to free education, including higher education, and to all the values of culture; they enjoy free and generally accessible medical care,

social security when unable to work and in old age, and have the right to well-appointed dwellings.

In the socialist countries, everyone who is able to work is guaranteed a job in his field, because socialism has put an end to unemployment and poverty, so that the working people have a sense of social certitude and no longer have to worry about the future.

*The Victory of Socialism in the USSR:
Its Significance for the International
Revolutionary Movement*

The triumph of socialism in the Soviet Union—its first triumph in human history—is a fact of profound and abiding international significance, for it is an organic part of the advance of socialism in the world, which now has a history that has run through these successive stages of development: the transformation of socialism, once a utopia, into a science; the conjunction of scientific socialism with the revolutionary working-class movement; and the first embodiment of the theory of socialism in an actually existing system of social relations.

The working class of Russia carried out a socialist revolution in alliance with the labouring peasantry, and this advanced it to the van of the whole international revolutionary movement: the working class of the USSR is the vanguard of the international working class. When the Soviet working class got down to tackling the mammoth and exceptionally formidable task of building what was, in fact, to be socialism, it relied on the revolutionary support and effective proletarian internationalism of the world's proletariat. The building of socialism in the USSR was not an internal matter for the Soviet people, because it signified fulfilment by the Soviet working class of its internationalist duty and an invaluable contribution to the common struggle of the world's proletariat.

The victory of socialism in the USSR was a logical outcome of the law-governed and objective world-wide process of revolutionary development, which produced a situation in which the operation of the law of uneven political and economic development enabled socialism to win out initially in only one country, namely, the Soviet Union. That is one of the most important

aspects of the unfading international significance of the victory of socialism in the USSR .

But it also became an important milestone in the subsequent historical development of socialism, because from then on all the contingents of the international revolutionary movement were able to rely on the material and moral support and to use the wide experience of socialist construction of the country where socialism was first built.

The establishment of a socialist society in the Soviet Union consolidated the basis of the world proletarian revolution and made it possible to give much more direct support to the liberation movement in other countries.

A Fundamentally New Type of Civilisation

The international significance of socialist construction in the USSR is not confined to the framework of the international revolutionary movement. The victory of socialism in the USSR being the result of the development of human civilisation as a whole, it has exerted, for its part, a tremendous influence on the development of world history.

On one occasion after the October Revolution, Lenin wrote: "The abolition of capitalism and its vestiges, and the establishment of the fundamentals of the communist order comprise the content of the new era of world history that has set in."³¹ In other words, the October Revolution paved the way for the establishment of a new type of civilisation in the world, so that the history of mankind began to run along a different social course. Socialism has survived and stood its ground thanks to the Soviet people's selflessness and its deep conviction that socialism is superior to the old social system. It became perfectly obvious that the antagonistic contradictions of the capitalist society could be removed only by the new civilisation.

As a social system, socialism gave a convincing demonstration of its advantages even in the early stages of its development, and it did so on the scale of one of the largest states in the world. The altogether new type of socio-economic development made the new socio-economic formation fundamentally different

³¹ V. I. Lenin, "On the Struggle within the Italian Socialist Party", *Collected Works*, Vol. 31, p. 392.

from all the earlier ones. Before the start was made on socialist construction in the Soviet Union, haphazard socio-economic development on the scale of the society as a whole was the only type of development known in human history. The development of capitalism was based entirely on economic and extra-economic methods of exploitation, while the self-seeking interests of private-capitalist enterprise and fierce competition were the motive forces of capitalist development: as a minority grew rich, immense suffering was inflicted on the majority.

Socialist construction in the USSR meant that haphazard social development was giving way to balanced social development. For the first time in human history the objectively operating laws of social development were not only understood, but also applied for the benefit of the working people. The planning system is the product of socialism and is an expression of its fundamental advantages. The planning of the country's whole socio-economic development is one of the most important scientific and social gains of the 20th century and of revolutionary practice in the transformation of social life.

The socialist economic system demonstrated its superiority both in the speed with which it took shape and in the much faster rates of development of the productive forces, as compared with those in the capitalist countries.

Socialist construction involves fundamentally new and consistently democratic forms and methods of economic management, and it has generated among the multinational masses of working people the great energy of creativity which is embodied in socialist emulation.

The Power of Example

The very existence and steady economic and cultural growth of the world's first proletarian state had the attractive power of revolutionary example, and while the Soviet Republic still lagged behind capitalist countries in some important economic indicators, it was becoming perfectly obvious that in the new society the working man had a basically new status.

The fact that the proletariat of Russia, once oppressed and exploited, had risen to the status of the ruling working class, and that for the first time in human history, had a great revolu-

tionary impact on the working people of the capitalist countries. Soviet experience has demonstrated very well that the working class is capable not only of destroying the old and the obsolete, but also—and that is most important—of successfully building and running a society without the bourgeoisie. In a short historical period in the course of socialist construction, the Soviet working class has become the generally recognised leading force of the new, socialist society. The radical change in the status of the working class under socialism and its political role in the society have acted as a tremendous revolutionising force for the proletariat and the other working people of the capitalist countries.

The Soviet five-year economic development plans are not only plans for economic construction, but also extensive programmes for social progress.

While tens of millions of men and women in the capitalist countries have no jobs, *the Soviet Union has completely eliminated unemployment, with the full employment of the population being attained in the early 1930s.* The wages of industrial and office workers have increased markedly, peasant incomes have gone up and working conditions have improved. The working people enjoy free medical services, education and social security. New homes, hospitals, crèches, nursery schools, secondary schools, houses of culture and other cultural and educational institutions are being built on an extensive scale across the whole country, so providing evidence that the socialist society is capable of ensuring successful development of social production for the ever fuller satisfaction of the working people's growing requirements.

*The Victory of Socialism in the USSR:
Its Significance for the Newly-Liberated Countries*

It took the USSR the shortest possible historical period—and without any assistance from outside—to develop into a mighty industrial power with complete economic independence from the capitalist countries. The Soviet people's struggle for economic independence began with the Great October Socialist Revolution, and its attainment of economic independence had a tremendous revolutionising influence on the colonial and

semi-dependent peoples of the world and on the whole of progressive mankind, because it marked the discovery of a fundamentally new way for a country's development through the building of material and technical basis and the laying of the economic foundations of socialism through a people's own efforts, and that in an exceptionally brief historical period. The USSR's experience was an outstanding contribution to the theory and practice of the revolutionary-liberation movement, and an inspiring example, especially to the peoples fighting for their political and economic independence. Here is what Jawaharlal Nehru said in this context: "Most of all we had the example of the Soviet Union, which in two brief decades, full of war and civil strife and in the face of what appeared to be insurmountable difficulties, had made tremendous progress."³²

The great historical importance of the victory of socialism in the USSR lies in the fact that it also entailed the solution of the nationalities question. The full brunt of oppression, deprivation and extreme economic and cultural backwardness had been borne by many peoples under tsarism. The nationalities question was settled in the main when the actual inequality of the peoples inherited from the pre-revolutionary past was eliminated as the country moved from capitalism to socialism, and this means that

national oppression has been eliminated for good with the constitution of an indissoluble fraternal union of free peoples known as the Union of Soviet Socialist Republics;

the political, economic and cultural inequality of the nations has been abolished, with the result that citizens of all the big and small nations and ethnic groups enjoy equal rights and opportunities and have equal duties to the state and the society. Modern industries and developed agriculture have been created and skilled national cadres of workers, collective farmers and intellectuals trained in all the Soviet Republics;

the class roots of nationalism and chauvinism have been eradicated, and the ideas of the peoples' friendship and brotherhood have been firmly accepted by the overwhelming majority of Soviet citizens.

The victory of socialism in the USSR showed the whole

³² Jawaharlal Nehru, *The Discovery of India*, Asia Publishing House, Bombay, 1964, p. 394.

world in practice that once-oppressed peoples can become free and equal. For the first time in history, the nationalities question was settled not in the light of bourgeois nationalism, but on the strength of socialist internationalism, with the leading role of the working class and its political party.

The settlement of the nationalities question in the USSR—a country with more than 100 big and small nations—also meant that a crushing blow had been dealt at racism, at the “theory of superior and inferior” races.

The experience in solving the agrarian problem in the USSR is of great import, especially for formerly colonial and dependent peoples. In tsarist Russia, the peasantry was the most deprived part of the population, and the Soviet power gave the peasants the free use of land, exempted them from annual redemption payments for purchased land, and wrote off their debts to the land banks. Great changes in the peasants’ working and living conditions already occurred during the early Soviet five-year plan periods. There was a radical improvement in the condition of the peasants with the liquidation of the exploiter classes in the countryside, for this marked the end of the peasantry’s stratification into haves and have-nots and of the latter’s impoverishment, as the poor peasants joined agricultural co-operatives (kolkhozes).

The spread of socialism to the peoples of the once-backward fringes of tsarist Russia was an outstanding achievement of the transition period in the USSR. These peoples had been at various pre-capitalist stages or had risen to only a low level of socio-economic development, so that the advent of socialism brought them release from economic and national oppression, and ensured their accelerated socio-economic and cultural development, which enabled them to bypass the capitalist stage of development either altogether, or to cut it short at its initial stages.

The spread of socialist construction to the non-Russian fringes of tsarist Russia signified the solution of one of the most intractable and new problems which were facing the triumphant proletariat.²³ From then on, world revolutionary practice has had

²³ See V. I. Lenin, “Address to the Second All-Russia Congress of Communist Organisations of the Peoples of the East, November 22, 1919”, *Collected Works*, Vol. 30, pp. 158, 159.

at its disposal a scientifically-grounded theory and experience in involving in socialism peoples lagging in their economic development. This has opened up realistic socialist perspectives before the peoples of Asia, Africa and Latin America, and that is also one of the most significant aspects of the victory of socialism in the USSR.

As the Soviet Union built up the material and technical basis of socialism and developed into a mighty industrial power, it came to play an ever greater role in world politics. Throughout the whole of past history before the emergence of the world's first socialist state, the stronger states used their strength to establish domination over weaker ones. Today, the imperialist policy of aggression is confronted by the countries of existing socialism, which campaign in the international arena for the establishment of equitable political and economic relations between big and small nations and provide powerful support for the revolutionary and national-liberation movements in the world.

The General Uniformities and Peculiarities of Transition from Capitalism to Socialism

Socialist revolutions take place in countries which markedly differ from each other in the levels to which their productive forces and their socio-economic relations are developed, which is why they face different tasks in socialist construction. Lenin says that the distinctions between peoples and countries will continue to exist even under socialism for a very long time to come.³⁴ Thus, at the start of the transition period Czechoslovakia and the GDR were developed industrial powers, and their productive forces were on a much higher level than those of Romania, Poland or Yugoslavia. A comparison between the socialist countries of Europe and, say, some in Asia (Mongolia, Vietnam and Laos) shows that the distinctions between them in economic development and consumption levels are even more pronounced.

There is a relation between a country's territory, the size and density of its population and the structure of its productive forces

³⁴ See V. I. Lenin, "Left-Wing' Communism—an Infantile Disorder", *Collected Works*, Vol. 31, p. 92.

and way of life, although the development of the productive forces is always the definitive factor.

The socialist countries also differ in their geographical location: most of them have an outlet to the sea, while Hungary, Czechoslovakia and Mongolia do not have any, and that creates some problems for their economic development.

Political geography is also of considerable importance, because remoteness from the main core of the socialist community and close proximity to aggressive imperialist neighbours largely account for the fact that Cuba and Vietnam, for instance, have to build socialism in especially difficult conditions.

The socialist countries differ substantially in climate, terrain, and in land, water, forest and mineral resources, all of which are, of course, factors that influence the structure of the national economy and the geographical location of the productive forces.

The socialist countries also differ in their national make-up, some being inhabited by people of different nations and even of different races, and others by people mainly of the same nationality, so that some are multinational, while others are national states with fairly large ethnic minorities, which is why the settlement of the nationalities question in the transition period assumes different forms in the various countries.

One also has to reckon with the historically-rooted political and cultural traditions in the various countries, because these also make the concrete forms of socialist construction highly peculiar.

Bourgeois and revisionist theorists claim that the socialist countries allegedly seek to stereotype the social development of all the peoples, in accordance with that they call the "Soviet model". One will find such notions even in the ranks of the working-class movement. Those who level such "accusations" against existing socialism usually claim to be champions of "creative Marxism".

The opponents of existing socialism often speculate, especially in the recent period, on various mistakes which have been made in socialist construction in some countries. Historical experience has, of course, shown that errors and omissions, sometimes serious ones, can in fact be made in a great and difficult endeavour like the building of socialism, but it is important to emphasise

that those errors do not spring from the nature of socialism as a social system, or from its objectives and basic principles; on the contrary, they occur when these principles are neglected or violated. For their part, the enemies of existing socialism claim that mistakes are made because of adherence to Leninism or Soviet experience.

But that is a lot of nonsense. Lenin never called for blind imitation of any experience, including Soviet experience. On the contrary, he kept stressing the need for a creative approach on the part of oppressed nations to the building of the new society "in order to contribute something of their own to the different forms of democracy, the different forms of transition to socialism".³⁵

That important proposition of Leninism has been fully borne out by the historical experience of socialist construction, which in the various countries has assumed a variety of forms depending on the concrete historical situation and the national conditions. However, these peculiarities emerged within the framework of the single overall process of transition to socialism in accordance with the principal uniformities which are common to all. The Declaration of the 1957 Meeting of Representatives of Communist and Workers' Parties of socialist countries first summed up the experience in the development of socialism as a world system and formulated the principal uniformities which apply to all the countries taking the socialist way:

leadership of the working masses by the working class, with the Marxist-Leninist party as its vanguard, in carrying out the proletarian revolution in one form or another and the establishment of the proletarian dictatorship in one form or another;

alliance of the working class with the bulk of the peasantry and other strata of the working people;

liquidation of capitalist property and establishment of social property in the basic means of production;

gradual transformation of agriculture on socialist lines;

balanced development of the national economy designed to build socialism and communism and raise the working people's living standards;

³⁵ V. I. Lenin, "A Caricature of Marxism and Imperialist Economism", *Collected Works*, Vol. 23, p. 70.

a socialist revolution in ideology and culture and the creation of a numerous intelligentsia loyal to the working class and all the other working people and to the cause of socialism;

elimination of national oppression and establishment of equality and friendship among the peoples;

defence of the gains of socialism against attacks by external and internal enemies;

solidarity of every country's working class with the working class of other countries: proletarian internationalism.

Let us bear in mind that the general uniformities according to which the society is restructured on socialist lines in the various countries assume different forms, depending on the concrete historical and national peculiarities, level of technical and economic development, and the class structure of the society. Lenin says: "All nations will arrive at socialism—this is inevitable, but all will do so in not exactly the same way, each will contribute something of its own to some form of democracy, to some variety of the dictatorship of the proletariat, to the varying rate of socialist transformations in the different aspects of social life."³⁶

The peculiarities of socialist construction in the individual countries are expressed in the methods by means of which socialist transformations are effected, in their pace, duration and priorities in tackling the various tasks of socialist construction. Their fulfilment calls for a creative application of its general uniformities in the concrete historical situation. A profound understanding of these general uniformities and reliance on them, together with a creative approach to and all-round consideration of the concrete national conditions in each country, have been and continue to be the salient feature of the Marxist-Leninist doctrine.

"Hundreds of millions of people in various countries of Europe, Asia, Africa and Latin America are now advancing, together with the peoples of the USSR, along the way paved by the October Revolution. No road to socialism, obviating the general uniformities discovered by Marxism-Leninism and confirmed by the experience of the USSR, the countries of existing

* V. I. Lenin, "A Caricature of Marxism and Imperialist Economism", *Collected Works*, Vol. 23, pp. 69-70.

socialism, and the international practice of revolutionary struggle and socialist construction, does or can exist, just as there can be no successful advance along this way without an all-round consideration of each country's national peculiarities."³⁷

³⁷ Resolution of the CC CPSU "On the 60th Anniversary of the Formation of the Union of Soviet Socialist Republics", *Pravda*, February 21, 1982.

**THE SOCIALIST ORIENTATION:
A POSSIBLE FORM OF TRANSITION TO SOCIALISM**

**1. THE MARXIST-LENINIST THEORY
OF THE POSSIBILITY OF BYPASSING CAPITALISM**

The adversaries of Marxism have invented many theories in their futile efforts to prove that Marx's revolutionary doctrine is "limited" to a set of historical or geographical conditions, but the development of the world revolutionary process has provided crushing refutations of their dogmas.

One of these is the existence of a sizable group of states in Asia and Africa, whose political tenets and social practices are oriented towards the establishment of a socialist society. The first group of socialism-oriented countries emerged in Asia and Africa back in the 1960s, and in the 1970s there came what could be called the "second generation" of similarly oriented countries. Today, there are almost twenty countries in which the revolutionary-democratic parties in power have proclaimed their adherence to socialism. It is highly indicative that many of these parties regard the Marxist-Leninist doctrine as their ideological platform.

None of the bourgeois theories helps to explain the new historical phenomenon of countries taking the socialist orientation. Indeed, because of their class-tunnel vision of the world, bourgeois theorists make the unhistorical assumption that the capitalist mode of production is unshakable and everlasting and so claim that the socialist orientation is no more than an annoying historical anomaly and a political zigzag produced by the personal ambitions of individual leaders in Asian and African countries.

In actual fact, the socialist orientation is not an accidental paradox of history, but a law-governed social phenomenon and

a manifestation of the objective tendencies of the world-wide historical process, above all the revolutionary creativity of hundreds of millions of people in the Asian and African countries themselves.

*The Founders of Marxism on the Transition to Socialism
by Various Countries*

As with every other theory of social development, the truly scientific explanation of the multifaceted phenomenon of the socialist orientation is provided by Marxism in the light of its methodological basis of the succession of socio-economic formations, which helps to understand the unity and diversity of historical development and its law-governed character, and to identify the various historical periods in society's forward development. The sequence in which one formation gives way to another shows, in the most generalised way on the scale of the human society as a whole, the law-governed logic of the entire world-wide historical process.

But the sequence of formations on the scale of the society as a whole and throughout its entire history does not mean that every people must inevitably pass through all the stages of historical development without exception. Let us bear in mind that none of the formations has ever encompassed all the peoples of the globe simultaneously. Besides, some peoples have managed to bypass this or that stage of historical development then characteristic for the world as a whole. It is a matter of record, for instance, that no slavery existed among the Germans, the Eastern Slavs, the Indians of America, the Afghans, the Mongols, and others. Moreover, because historical development is uneven, earlier entry upon a given socio-economic formation does not automatically lead to a more rapid transition to the following stage of historical development.

The founders of Marxism also drew attention to the fact that, as the interconnection of countries and peoples at various stages of social development increases, the more advanced socio-economic relations tend to influence the less developed societies. Marx's theory of the consistent succession of socio-economic formations gave a deep scientific explanation not only of the unity of the world-wide historical process, but also of its diver-

sity. Let us recall in this context Marx's own warning that his analysis of capitalism in Europe should not be treated as "an historico-philosophic theory of the general path of development prescribed by fate to all nations, whatever the historical circumstances in which they find themselves".¹

There are several fundamental aspects to the approach by the founders of Marxism to the question of whether lagging countries can advance to socialism, bypassing capitalism, and these continue to be of exceptional importance in comprehending the socialist-orientation problem even today.

First, the founders of Marxism held that lagging countries could go on to socialism, bypassing capitalism, in a situation in which revolutions in the more and less developed countries interacted and mutually complemented each other.²

Second, they held all-around assistance and support from the victorious proletariat of the advanced countries to be one of the key conditions for the lagging countries' successful advance towards socialism, drawing special attention to the power of example set by triumphant socialism: the backward countries would be able to see "how it is done".³

Third, they believed that the victory of the socialist revolution in the more developed countries should have a beneficial effect on the lagging countries, and that it would "completely change and greatly accelerate their previous manner of development".⁴ It would also enable them "markedly to cut short the process of their development towards the socialist society".⁵

Marx and Engels formulated the fundamentals of the theory that backward countries could go on to socialism, bypassing capitalism, but they did not, of course, set out to produce an

¹ "Marx to the Editorial Board of the 'Otechestvenniye Zapiski', in Marx and Engels, *Selected Correspondence*, Progress Publishers, Moscow, 1975, p. 293.

² See Karl Marx and Frederick Engels, "Manifesto of the Communist Party", in Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 1, p. 100.

³ Friedrich Engels, "Nachwort (1894) (zu 'Soziales aus Rußland')", in Karl Marx/Friedrich Engels, *Werke*, Vol. 22, Dietz Verlag, Berlin, 1963, p. 428.

⁴ Frederick Engels, "Principles of Communism", in Karl Marx, Frederick Engels, *Collected Works*, Vol. 6, p. 352.

⁵ Friedrich Engels, "Nachwort (1894) (zu 'Soziales aus Rußland')", *op. cit.*, p. 428.

elaborate theory on this problem, with a concrete and detailed description of the practical measures which the various countries would have to carry out. After all, in their day the problem of lagging countries going on to socialism could be considered only in the most general terms, as a scientifically-grounded but still only a theoretical proposition. Let us recall at this point that the founders of Marxism kept urging their followers to study the wealth of historical experience and to refrain from spinning out speculative and abstract schemes that were out of touch with the reality.

Lenin's Struggle Against the Second International Opportunists

The theory of the lagging countries' transition to socialism was further developed and set forth in concrete terms mostly by Lenin, in whose day colonialism continued to be one of the most burning issues. More than two-thirds of the population of the globe lived in colonies and dependent countries, and it was up to revolutionary thinkers not only to safeguard the great theoretical legacy of Marx, including his ideas on the colonial question, but also to give a scientifically-grounded perspective for the development of the national-liberation movement in the new historical conditions. That was done by Lenin, a true follower of Marx and Engels.

Lenin had to carry on a principled struggle against the opportunist leaders and theorists of the Second International on the colonial question. Let us recall that these theorists had been unable to understand the substance of the new historical conditions and, for all practical purposes, assumed that colonialism had a "civilising mission". Eduard Bernstein,⁶ for instance, asserted that colonial policy was justifiable on the plea that it helped to spread "civilisation", while Karl Kautsky⁷ insisted that, for the "sake of mutual advantage", the colonies should

⁶ Eduard Bernstein (1850-1932)—a leader of the opportunist wing of German Social-Democracy and the Second International, an ideologist of revisionism.

⁷ Karl Kautsky (1854-1938), a centrist leader and theorist of German Social-Democracy and the Second International. His final break with Marxism came at the beginning of the First World War.

remain a part of the former colonial power even after its proletariat had won.

Some Second International opportunists not only disbelieved in the revolutionary potential of the masses in the colonies and dependent countries and denied that they could go on to socialism, bypassing capitalism, but also made no effort to conceal their contempt for the peoples oppressed by imperialism. Thus, the Dutch Social-Democrat Van Kol declared from the rostrum of the Stuttgart Congress of the Second International (1907): "If we brought a machine to the savages of Central Africa, what would they do with it? Perhaps they would dance around it. . . . If we, Europeans, went there with our tools and machines, we would become defenceless victims of the natives. That is why we have to go there arms in hand."⁸

Lenin's approach was totally different. Even as the peoples of the colonial and dependent countries were starting out on their way to liberation from colonialism, Lenin foresaw the day in the world history "when the awakening peoples oppressed by imperialism are finally aroused and the decisive long and hard struggle for their liberation begins".⁹

The October Revolution dealt the heaviest blow at the whole system of imperialism. When Russia fell away, the system of imperialism was economically and politically weakened; the revolution gave a powerful impetus to the national-liberation struggle and involved the colonial peoples in the mainstream of the world-wide revolutionary movement, so marking the turning point in the national-liberation movement of the whole world and providing tangible proof that the peoples' complete national liberation was possible.

Lenin countered the policy of reformism, which separated the proletarian movement in the developed capitalist countries from the colonial peoples' struggle, with his revolutionary policy of blending the struggle for national liberation and the struggle for social emancipation. Lenin resolutely attacked the opportunists, who had forgotten the key propositions of Marxism, and resolutely stood up for Marx's idea that backward peo-

⁸ "Internationaler Sozialisten-Kongress zu Stuttgart, 18 bis 24 August 1907", *Vorwärts*, Berlin, 1907, p. 37.

⁹ V. I. Lenin, "The Question of Nationalities or 'Autonomisation'", *Collected Works*, Vol. 36, p. 611.

ples could bypass capitalism and go on to socialism. In his report on the national and colonial problems at the Second Congress of the Comintern (1920), Lenin gave a negative answer to the question of whether the capitalist stage of development should be regarded as an inevitable one for backward nations when on the road to emancipation.¹⁰ Like Marx, Lenin regarded the national-liberation revolutions as a part of the worldwide socialist revolution and held that "the social revolution can come only in the form of an epoch in which are combined civil war by the proletariat against the bourgeoisie in the advanced countries and a *whole series* of democratic and revolutionary movements, including the national-liberation movement, in the undeveloped, backward and oppressed nations".¹¹

Lenin also stood up for Marx's idea that the lagging peoples could advance to socialism only with all-round support and assistance from the proletariat of the developed countries.¹²

Lenin sharply criticised the views of the "Marxists" Kautsky, Sukhanov¹³ and other "theorists" who did not allow for the slightest departure from the West European model of capitalist development. For all practical purposes, they rejected the idea that any country which had, for whatever reason, failed to reach the West European level of capitalist development could go on to socialism. Lenin countered with the following question: "If a definite level of culture is required for the building of socialism (although nobody can say just what that definite 'level of culture' is, for it differs in every West-European country), why cannot we begin by first achieving the prerequisites for that definite level of culture in a revolutionary way, and *then*, with the aid of the workers' and peasants' government and the Soviet system, proceed to overtake the other nations?"¹⁴

¹⁰ See V. I. Lenin, "The Second Congress of the Communist International", *Collected Works*, Vol. 31, p. 244.

¹¹ V. I. Lenin, "A Caricature of Marxism and Imperialist Economism", *Collected Works*, Vol. 23, p. 60.

¹² *Ibid.*, p. 67; V. I. Lenin, "The Second Congress of the Communist International", *Collected Works*, Vol. 31, p. 244.

¹³ Nikolai Sukhanov (1882-1940), an economist, journalist and participant in the revolutionary movement in Russia. A member of the Socialist-Revolutionary Party from 1903, and a Menshevik from 1917.

¹⁴ V. I. Lenin, "Our Revolution", *Collected Works*, Vol. 33, pp. 478-479.

Although that polemic concerned Russia, a country at the middle level of capitalist development before the October Revolution, Lenin's approach to the problem is of exceptional importance for countries now taking the socialist orientation. After all, there are still many theorists around denying that the newly-liberated countries can have a socialist perspective precisely because they have not yet been sufficiently "stewed in the capitalist pot" and have not yet reached "a definite level of culture".

*Lenin on the Development
of the National-Liberation Revolution
into a Socialist Revolution*

Lenin not only safeguarded Marx's idea that it was possible for countries to bypass capitalism and go on to socialism; in the epoch of imperialism and national-liberation revolutions, he formulated a coherent scientific theory on the transition by lagging countries to socialism, bypassing the capitalist stage of development, and he did so in the light of the objective requirements of social development. By the time of the October Revolution, 35 million of Russia's population lived under pre-capitalist social relations. Moreover, the triumph of the people's revolution in Mongolia in 1921 offered the opportunity of advancing to socialism through a detour of capitalism for the Mongolian people and its People's Revolutionary Party.

The crisis of the colonial system of imperialism was started by the October Revolution, and the solution of the problem of a socialist perspective for nations oppressed by imperialism required Marxists to take a new and creative approach.

Before Lenin's day, Marxist thinkers concentrated their attention mainly on the external conditions of the backward countries' transition to socialism: the interaction of the revolutions which complemented each other, assistance from the victorious proletariat of the advanced countries, and the power of example of triumphant socialism. That was in tune with the then accepted ideas formulated by the founders of Marxism concerning the development of the socialist revolution, namely, that once socialism had triumphed in a majority of the developed capitalist countries, the victorious proletariat would

naturally have to do everything it could to help the peoples of the colonies and dependent countries to rise to the political, economic and social level of the developed countries. Indeed, the founders of Marxism were perfectly right in connecting the national liberation and social emancipation of the peoples oppressed by colonialism above all with the victory of socialism in the metropolitan countries. However, in the new historical conditions the socialist revolution won out initially in one country which, besides, was not among the most developed ones. That is precisely what Lenin had predicted. That fact alone substantially altered the earlier theoretical notions concerning the backward countries' transition to socialism, notably the external factors which could promote such a transition.

However, internal factors, i.e., the law-governed development of the national-liberation movements themselves, had become even more meaningful and fundamentally novel in this problem. The victory of the October Revolution, which inaugurated a new world-wide historical epoch, turned the national-liberation movement into a component part of the struggle for restructuring the world on socialist lines. Lenin showed that it is not only the bourgeois-democratic revolution, but also its specific form—the national-liberation revolution—that could develop into a socialist revolution.

Its victory helps to carry out democratic and revolutionary transformations going well beyond the framework of the transformations connected with bourgeois-democratic revolutions. Lenin's analysis of the development of the democratic revolution enabled him to draw an exceptionally important theoretical and practical conclusion that it was possible to set up a revolutionary-democratic state¹⁵ in which deep-going political and socio-economic transformations could be carried out. Lenin added that it "will *still not* be socialism, but it will *no longer* be capitalism. It will be a tremendous *step towards* socialism."¹⁶

Lenin formulated his conceptions of the people's democratic revolution and the revolutionary-democratic state not only in the light of his study of the revolutionary movement in Russia.

¹⁵ See V. I. Lenin, "The Impending Catastrophe and How to Combat It", *Collected Works*, Vol. 25, pp. 340, 363.

¹⁶ *Ibid.*, p. 364.

He also studied revolutionary events in backward areas of the East like the Bukhara Republic¹⁷ and Mongolia,¹⁸ so that his conceptions were not a reflection of some "purely Russian phenomenon", but are meaningful for countries with the most diverse levels of socio-economic development.

Lenin believed that one of the most important conditions for establishing the people's democratic power and the revolutionary-democratic state was that the general democratic revolution should become "popular", i.e., a revolution that the masses themselves create by their slogans, their efforts".¹⁹

The revolutionary-democratic government can hold out and strengthen if it relies on an alliance with other classes and social strata looking to a victory of the people's democratic revolution. However, the core of the political bloc is an alliance of the proletariat and the peasantry as the basis on which these classes exercise their revolutionary-democratic dictatorship. Lenin believed that the peasants' Soviets had a special role to play within the system of power in the countries of the East: "Soviets are possible there; they will ... be ... peasants' Soviets, or Soviets of working people."²⁰

The Role of the Revolutionary Party

The political leadership of the people's democratic revolution is one of the most complicated problems in the process of its development into a socialist revolution. There are peculiar aspects to this problem in countries where the national working class is just taking shape, where it is small and does not have enough experience in the class struggle. In such conditions, Lenin stated, it is highly important to have a revolutionary party which, with the passage of time, could become a combat-capable Marxist party.

¹⁷ V. I. Lenin, "The Eighth All-Russia Congress of Soviets", *Collected Works*, Vol. 31, p. 491.

¹⁸ V. I. Lenin, "Talk with a Delegation of the Mongolian People's Republic", *Collected Works*, Vol. 42, p. 360.

¹⁹ V. I. Lenin, "Extraordinary Seventh Congress of the R.C.P.(B.)", *Collected Works*, Vol. 27, p. 135.

²⁰ V. I. Lenin, "The Second Congress of the Communist International", *Collected Works*, Vol. 31, pp. 232-233.

When considering the possibility of a revolutionary party developing into a communist party, Lenin emphasised the danger of haste in this exceptionally important and difficult matter. In a conversation with members of a Mongolian delegation in November 1921, Lenin remarked that the creation of a revolutionary party was the condition for successful struggle, and that the task facing the party "is to become a mass party uncluttered by alien elements... The revolutionaries will have to put in a good deal of work in developing state, economic and cultural activities before the herdsman elements become a proletarian mass, which may eventually help to 'transform' the People's Revolutionary Party into a Communist Party. A mere change of signboards is harmful and dangerous."²¹

Lenin also formulated the tasks facing the party which had to work in countries of the East where the peasantry made up the bulk of the population, and where it was necessary to mount a struggle against medieval survivals: "In this respect you are confronted with a task which has not previously confronted the Communists of the world: relying upon the general theory and practice of communism, you must adapt yourselves to specific conditions such as do not exist in the European countries; you must be able to apply that theory and practice to conditions in which the bulk of the population are peasants, and in which the task is to wage a struggle against medieval survivals and not against capitalism."²²

The party's role as the political vanguard in colonial and dependent countries also tends to increase because the petty bourgeoisie and the peasantry constitute the bulk of the population. The petty bourgeoisie, with all its preconceptions, joins in the revolutionary movement. It is inclined to political vacillations and to pendulum swings from one extreme to the other. It is unstable, half-hearted, nationalistic and lacks staying power. The flare-ups of nationalism have the most acute effect and inflict harm on the international cohesion of the revolutionary forces.

²¹ V. I. Lenin, "Talk with a Delegation of the Mongolian People's Republic", *Collected Works*, Vol. 42, pp. 360, 361.

²² V. I. Lenin, "Address to the Second All-Russia Congress of Communist Organisations of the Peoples of the East, November 22, 1919", *Collected Works*, Vol. 30, p. 161.

Lenin clearly saw the hard and contradictory way of development lying ahead for the revolutionary parties in such conditions, and made a point of analysing the specific tasks of the communist parties in colonies and dependent countries. He called for efforts "to translate the true communist doctrine, which was intended for the Communists of the more advanced countries, into the language of every people".²³ This should be done to rally "the elements of future proletarian parties, which will be communist not only in name".²⁴ He reflected on how to "adjust... the Communist Party (its membership, special tasks) to the level of the *peasant* countries of the colonial East".²⁵

The question of the proletariat's leading role in the democratic revolution and its development into a socialist revolution was considered by Lenin in the context of the new historical epoch ushered in by the October Revolution: "We have created a Soviet type of state and by that we have ushered in a new era in world history, the era of the political rule of the proletariat, which is to supersede the era of bourgeois rule."²⁶ This means that the proletariat which has won out only over a part of the globe finds itself ahead of all the other revolutionary forces, and so has to play the vanguard role in the world revolutionary process. Consequently, the perspective of the national-liberation revolution developing into a socialist revolution should be viewed not only from the standpoint of internal conditions and prerequisites, but of the interaction of internal and external factors and of the various revolutionary streams of the world revolutionary process.

Lenin's approach to the problems of the national-liberation movement remains an invaluable theoretical legacy for us in analysing the contemporary problems of the socialist orientation.

²³ V. I. Lenin, "Address to the Second All-Russia Congress of Communist Organisations of the Peoples of the East, November 22, 1919", *Collected Works*, Vol. 30, p. 162.

²⁴ V. I. Lenin, "Preliminary Draft Theses on the National and the Colonial Questions", *Collected Works*, Vol. 31, p. 150.

²⁵ V. I. Lenin, "Material for the Second Congress of the Communist International", *Collected Works*, Vol. 42, p. 202.

²⁶ V. I. Lenin, "Notes of a Publicist", *Collected Works* Vol. 33, p. 206.

*"A Slower, More Cautious and More Systematic
Transition to Socialism"*

As Lenin elaborated the theory of transition to socialism, bypassing capitalism, and applying it in practice in Russia's backward regions, he stressed that this relatively protracted transition would inevitably have to run through intermediary stages. He said that "successfully to solve the problem of our immediate transition to socialism, we must understand what *intermediary* paths, methods, means and instruments are required for the transition from *pre-capitalist* relations to socialism".²⁷

While having a deep revolutionary conviction that backward countries and regions could go on to socialism, Lenin took a sober and realistic view of the complexity and difficulty of the practical tasks which had to be dealt with in restructuring pre-capitalist relations. Compared with the more developed countries and regions, the less developed face a more gradual succession of stages and had to go through a relatively longer revolutionary process both in the political and socio-economic spheres. That is the main specific feature of the transition to socialism, bypassing capitalism.

In a letter which Lenin wrote to the Communists of the Transcaucasus in April 1921, he formulated some ideas which are exceptionally important in deciding on the policy and tactics to be applied in the actual construction of socialism. He strongly advised that an effort should be made to understand the peculiar condition of these regions, as compared with that of Central Russia, and to understand the need to refrain from copying the party's tactics which it had applied in the more developed regions, "but thoughtfully vary them in adaptation to the differing concrete conditions".²⁸ Lenin believed that more flexible tactics should be used in the regions that had an even more pronounced peasant element than did Russia: "You will need to practise more moderation and caution, and show more readiness to make concessions to the petty bourgeoisie, the intelligentsia, and particularly the peasantry."²⁹

²⁷ V. I. Lenin, "The Tax in Kind", *Collected Works*, Vol. 32, p. 349.

²⁸ V. I. Lenin, "To the Comrades Communists of Azerbaijan, Georgia, Armenia, Daghestan, and the Mountaineer Republic", *Collected Works*, Vol. 32, p. 316.

²⁹ *Ibid.*, p. 317.

Lenin's recommendations to the Communists of the Transcaucasus on the use of economic relations with the capitalist countries are still highly relevant even today: "You must make the swiftest, most intense and all possible economic use of the capitalist West through a policy of concessions and trade.... This must be done on a wide scale, with firmness, skill and circumspection, and it must be utilised to the utmost for improving the condition of the workers and peasants, and for enlisting the intelligentsia in the work of economic construction."³⁰

Considering the general tactics of transition to socialism by countries and regions that were more backward than Russia itself, Lenin formulated the following principle: "A slower, more cautious and more systematic transition to socialism."³¹ He also spoke of the peculiar forms of alliance between the front-ranking proletarians of the whole world and the working people who sometimes lived in medieval conditions. He remarked on the tremendous international importance of the experience in advancing to socialism, bypassing capitalism, of some peoples of Russia: "We have accomplished on a small scale in our country what you will do on a big scale and in big countries."³² We are now witnessing how that idea is being implemented on an international scale.

The Historical Potentialities of Transition to Socialism, Bypassing Capitalism

It is more than sixty years since Lenin wrote his last several works concentrating on various aspects of the transition to socialism, bypassing capitalism. There is no doubt that since then the Marxist-Leninist theory of the possibility of avoiding the capitalist stage of development has become much ampler in scientific content, broader in its compass of problems, and more concrete in its political conclusions. It has been further elaborated in the documents of the Comintern and the resolutions of

³⁰ V. I. Lenin, "To the Comrades Communists of Azerbaijan, Georgia, Armenia, Daghestan, and the Mountaineer Republic", *Collected Works*, Vol. 32, p. 317.

³¹ *Ibidem*.

³² V. I. Lenin, "Address to the Second All-Russia Congress of Communist Organisations of the Peoples of the East, November 22, 1919", *Collected Works*, Vol. 30, p. 161.

the congresses of the CPSU and other communist and workers' parties. The meetings of communist and workers' parties have formulated important theoretical generalisations concerning the development of national-liberation revolutions.

The international revolutionary practice of backward countries bypassing capitalism and advancing to socialism has already provided several historical alternatives of the movement towards socialism, so bearing out not only Marx's scientific prediction concerning the possibility of transition to socialism, bypassing capitalism, but also Lenin's idea about the diverse forms of such transition. In one of his last works, Lenin wrote: "Our European philistines never even dream that the subsequent revolutions in Oriental countries, which possess much vaster populations and a much vaster diversity of social conditions, will undoubtedly display even greater distinctions than the Russian revolution."³³

The diversity of the concrete forms of the backward countries' transition to socialism is due above all to the different internal and external conditions in which such a transition is effected. These countries have very different levels, for instance, of economic and political development, forms of state power, social and class structure, balance of class forces, historical and national traditions of the masses, etc. The process of advance to socialism is also influenced by the changing balance of forces between the two opposite world systems—socialism and capitalism; the evolving interaction of the main streams of the world revolutionary process; and the state of the international situation as a whole. A country's proximity to the mainsprings of reaction or the international bastions of the liberation movement is also of considerable importance.

Taken together, these conditions largely determine the specific character of revolutionary progress, the concrete forms and methods and the historical periods for the development of the revolution in each country. But for all the diversity of the forms in which the society undergoes its revolutionary transformations in each country, the most typical varieties of transition to socialism, bypassing capitalism, can be grouped in the most general terms.

³³ V. I. Lenin, "Our Revolution", *Collected Works*, Vol. 33, p. 480.

One of these historical varieties of transition by economically backward countries and regions to socialism has this common characteristic feature: the transition from pre-capitalist relations runs through a number of intermediary stages towards socialism within the framework of a single state in which the proletarian dictatorship has been established in one form or another. The initial experience in effecting such a transition was gained in the course of the socialist revolution and socialist construction in the USSR, when it got down to solving the problems of the backward fringe areas. The proletariat of Russia gave the population of Central Asia, Kazakhstan, the Far North and other outlying regions a vast volume of political, economic and military assistance.

If national oppression is to be eliminated, there is a need to do away with the historically-rooted economic inequality and cultural backwardness. The resolution of the Tenth Congress of the R.C.P.(B.) said that the proletarian revolution was inevitably bound to be confronted with all that in the Eastern outskirts, "and its primary task is consistently to liquidate all the survivals of national inequality in all the branches of social and economic life and, above all, to implant industry in the outlying areas in a balanced manner".

Peculiar forms of transition to socialism, but within the framework of the same historical type of development, are in progress in our day in the Socialist Republic of Vietnam, the Socialist Republic of Laos and several other socialist countries.

The experience of the Mongolian People's Republic could be regarded as another historical form of the transition to socialism, bypassing capitalism. There the people's revolution developed into a socialist revolution, while the People's Revolutionary Party was transformed into a Marxist-Leninist party which gave the lead in building socialism in the country. Together with the Mongolian people's persevering labour effort and the party's correct leadership, the multifaceted political, economic, cultural, military and diplomatic assistance which came from the Soviet Union, the world's first socialist country, was a crucial factor behind the Mongolian people's successful transition from feudalism to socialism—without going through the stage of capitalism.

Mongolia's experience of transition to socialism has much international significance, for it shows very well that it is a way

which helps to overcome the backwardness inherited from the colonial past and to create the conditions for going on to socialist development.

In our day, another historical form of transition to socialism has been created through the revolutionary effort of the masses and the further development of the national-liberation revolutions: a fairly large group of countries in Asia and Africa have proclaimed socialism as their socio-political orientation.

2. THE MARXIST-LENINIST CONCEPTION OF THE SOCIALIST ORIENTATION

What Are the Socialism-Oriented Countries?

The countries taking the socialist orientation are those which have escaped from colonialism and, while still being within the system of the world capitalist economy, reject capitalism as the perspective of their socio-economic development and carry out revolutionary transformations in every sphere of social life, thereby creating the necessary prerequisites for transition to socialism in the future.

The socialism-oriented countries' salient features were first fully given in the documents of the 26th Congress of the CPSU: "These include gradual elimination of the positions of imperialist monopoly, of the local big bourgeoisie and the feudal elements, and restriction of foreign capital. They include the securing by the people's state of commanding heights in the economy and transition to planned development of the productive forces, and encouragement of the cooperative movement in the countryside. They include enhancing the role of the working masses in social life, and gradually reinforcing the state apparatus with national personnel faithful to the people. They include anti-imperialist foreign policy. Revolutionary parties expressing the interests of the broad mass of the working people are growing stronger there."³⁴ Consequently, the creation by revolutionary means of the political, material, economic and ide-

³⁴ *Documents and Resolutions. The 26th Congress of the Communist Party of the Soviet Union*, Novosti Press Agency Publishing House, Moscow, 1981, pp. 16-17.

ological prerequisites for socialist construction is the main political and socio-economic content of the socialist orientation.

The "socialist orientation" concept contains a fairly precise definition of the given stage of revolutionary transformations: it is not yet actual socialist construction, but a definite pre-socialist stage in the course of which necessary prerequisites for a more rapid transition to socialism are created.

The socialist orientation as a contemporary revolutionary form of the society's transformation is denied by petty-bourgeois theorists, especially those of them who take an extreme "leftist" stand, and they reason roughly on the following lines: there is no essential difference between the two groups of newly-liberated countries, those taking the capitalist and the socialist orientation. In most of these countries, there is some development of industry, reforms in agriculture, nationalisation of foreign capital, a growth of the state sector in the national economy, a growing working class, etc. The petty-bourgeois leftist radicals ask: does that not amount to creating the objective prerequisites for a socialist revolution and for socialism, regardless of the orientation proclaimed? Moreover, some of these "theorists" who claim to be "neo-Marxists" insist that the socialist-orientation concept contradicts Marx's doctrine. Let us recall, however, that among the objective prerequisites for a socialist revolution and for socialism the Marxists list not only economic, but also socio-political conditions, the balance of class forces in the first place, and it is precisely the character of political power and the balance of class forces that make the development of the revolutionary process in the socialism-oriented countries so fundamentally different from what is going on in the other newly-liberated countries. In other words, the socialism-oriented countries conduct an economic, domestic and foreign policy that is so very much different from the policies pursued by the capitalism-oriented countries.

The subjective factor of the revolution, above all the leadership of the masses by the political party, is also shaped in a totally different way in the socialism-oriented countries. In these countries, political power is in the hands of revolutionary-democratic parties voicing the class interests of the working masses, and the strategy and tactics of their struggle are designed to create, by revolutionary means, the necessary prerequisites for

building socialism. The emphasis is on revolutionary way and consciousness, and that alone makes the socialism-oriented countries different from those in which the development of the national economy and capitalist relations tend to aggravate class contradictions, thereby shaping the prerequisites of socialism, but in a haphazard and painful evolutionary way.

The revolutionary restructuring of the society is not a reform from "above" designed to avert an explosion from "below", but profound socio-economic transformations with active participation by the working masses themselves because their class interests are met by these revolutionary measures.

The pace of social development towards socialism is markedly accelerated by the revolutionary transformations together with the introduction of the planning principles. The development of the socialism-oriented countries differs from the capitalist evolution of the other group of newly-liberated countries also in that it is definitely more effective in social terms. Together with indicators like pace of economic growth and accumulation and the consolidation of various sectors of the national economy, the whole socio-economic development of the socialism-oriented countries is centred on the "human factor", that is, the creation of the prerequisites for moulding the new man, who is free from the shackles of capitalism. It is no accident at all that the socialism-oriented countries have done so much more than the other developing countries in the field of public health, education, social security, revival of national culture and involvement of the working people in building up and managing every sphere of social life.

*The Socialist Orientation:
a Reflection of the General Uniformities
of the Revolutionary Process*

The socialist orientation, a contemporary form of the society's revolutionary transformation, is simultaneously a political revolution and a revolution in the socio-economic sphere.

The socialist orientation being an organic part of the world revolutionary process, it has common features and uniformities which are characteristic of all the contemporary revolutions aim-

ing to carry the society of man from capitalism to socialism on a world scale.

The socialist orientation could emerge only as a result of the interaction of the various revolutionary streams within the world-wide liberation process and under the new balance of forces between socialism and capitalism in the world arena, once the world socialist system—the supreme gain of the international working class in our day—has emerged and has been developing successfully. The countries of existing socialism are the vanguard of the 20th-century social revolutions and the centre of the economic and socio-political might of the proletariat organised on state lines. The countries where the socialist revolution has triumphed naturally become the centre of the world revolutionary process, for, as Lenin wrote after the October Revolution, “world political developments are of necessity concentrated on a single focus—the struggle of the world bourgeoisie against the Soviet Russian Republic, around which are inevitably grouped, on the one hand, the Soviet movements of the advanced workers in all countries, and, on the other, all the national liberation movements in the colonies and among the oppressed nationalities”.³⁵

The socialist perspectives for the peoples escaping from imperialist oppression are markedly broadened by the role of the international working-class movement in the world-wide revolutionary process and the conversion of world socialism into the crucial factor of modern history. Lenin urged the Communists to consider an agreement with the petty bourgeoisie “exclusively in the sense of the *forms* of transition to socialism on the part of *different* sections of the petty bourgeoisie”.³⁶ In our day, the alliance of the working class and the peasantry has largely become an international problem. The question of strengthening the alliance of the whole international working class with the peasantry and with all the other working people of newly-liberated states was considered at the International Meeting of Communist and Workers’ Parties in 1969, and the already avail-

³⁵ V. I. Lenin, “Preliminary Draft Theses on the National and the Colonial Questions”, *Collected Works*, Vol. 31, p. 146.

³⁶ V. I. Lenin, “Theses on the Tasks of the Party + the Present Situation”, *Collected Works*, Vol. 42, p. 43.

able historical experience drives home the point that the perspectives and successes of the socialism-oriented countries largely depend on the strength and further development of that international alliance.

The socialist orientation also reflects such uniformities of the revolutionary process as the sustained nature of the revolution and the possibility of the democratic revolution growing into a socialist revolution. Imperialism has involved the peoples of the colonies and dependent countries into a system of relations of subordination and exploitation, from which a country can escape only by taking resolute strides forward, towards socialism, so as ultimately to liquidate the whole system of interlaced pre-capitalist and capitalist relations. The question facing any democratic revolution in the epoch of imperialism is either onward to a socialist revolution, or a marking of time or even a return to reaction. Lenin stressed: "We cannot be revolutionary democrats in the twentieth century and in a capitalist country if *we fear* to advance towards socialism."³⁷

The relatively short history of the development of the socialism-oriented countries shows how viable and meaningful these words of Lenin's are. Indeed, any sitting on the fence and fear of resolutely creating the necessary prerequisites for development towards socialism pose a threat to the pursuit of a socialist-orientation policy and in some cases have in fact led to its failure and ultimately to a temporary triumph of reaction.

The growth of the subjective factor—a general uniformity of the contemporary revolutionary process—is also a characteristic feature of the socialist orientation in our day. The movement towards socialism could not have been started in these countries without the crucial role of the revolutionary party, the organised vanguard of the working masses. In striving for their ideological, political and organisational consolidation, the revolutionary-democratic parties borrow a great deal for their programmes, forms of organisation and character of activity from the international experience of the communist and workers' parties, and this is itself evidence of the international political authority of the working class.

³⁷ V. I. Lenin, "The Impending Catastrophe and How to Combat It", *Collected Works*, Vol. 25, p. 360.

At the same time, many general uniformities of revolutionary development brought out by the Marxist-Leninist theory and practice of transition by backward countries to socialism, bypassing capitalism, are manifested in the policy of the socialist orientation as a new form for creating the prerequisites for transition to socialism: there is the power of the example set by existing socialism, the assistance coming from the triumphant proletariat, the succession of ever higher stages of the revolution, the consistent evolution of the revolutionary party towards its development into a Marxist-Leninist party, and a slower, more cautious and more systematic transition to socialism than that in the socialist countries.

The Specifics of the Socialist Orientation

The socialist orientation provides fresh and convincing confirmation of the great viability and truth of the Marxist-Leninist theory concerning the possibility of advancing to socialism, bypassing capitalism. At the same time, the revolutionary development of the socialism-oriented countries has a number of essential distinctions, as compared with the earlier historical experience of transition to socialism, for instance, in the once-backward regions of the Soviet Union and in Mongolia.

It is not only, of course, a matter of national specifics in this or that country. The socialist orientation has a number of characteristic and specific features, which in the aggregate suggest that it is a social phenomenon, a new historical version of preparations for transition to socialism in contemporary conditions.

The existing historical ways of transition to socialism, bypassing capitalism, differ from each other in the dissimilar role of the working class and its political vanguard, the party. The conscious advance towards socialism in the socialism-oriented countries starts in a situation in which the working class and its political party cannot as yet play an actual leading role, and there the socialist orientation, at its initial stage, at any rate, differs substantially from that in the period of transition to socialism by the backward regions of Soviet Russia, and by other socialist countries where the dictatorship of the proletariat has been established (Vietnam and Laos, among others). The

internal and external conditions for implementing the socialist-orientation policy also differ from the conditions of the transition from feudalism to socialism effected by the Mongolian people, for instance, in the content and forms in which the socialist orientation relies on the victorious proletariat in the newly-liberated countries, as compared with those in Mongolia.

In the socialism-oriented countries, political power is in the hands of the revolutionary-democratic parties, which are just taking shape as vanguard parties of socialist revolution. The socialist orientation is itself a modern form for the development of the national-liberation revolution into a socialist revolution, and revolutionary democracy is fully capable of fulfilling the tasks which arise at the pre-socialist stages of the democratic revolution.

Any transition to socialism, whatever its form, implies above all a deep-going political revolution, which also takes place within the framework of the socialist orientation, but which has its peculiarities, as compared with the transition from capitalism to socialism by more developed countries, and also in comparison with the already known forms of transition to socialism by backward countries and regions, bypassing capitalism. The main peculiarity of the transfer of the leading role to the proletariat under the socialist orientation is that this political revolution is phased, relatively gradual and historically prolonged as compared with the other forms of transition to socialism. That is why the socialist orientation assumes the form of a movement towards socialism which is protracted in time, but which is a profoundly revolutionary process in content.

The forms and methods by which the revolution in the sphere of socio-economic relations is effected under the socialist orientation also have substantial peculiarities.

The Marxist-Leninist analysis of the transition to socialism from pre-capitalist socio-economic formations requires a concrete historical approach. Despite the common features and similarities of the transition to socialism in the outlying regions of Russia and Mongolia and in the socialism-oriented countries, one also has to note the essential distinctions between these dissimilar historical forms of advance towards socialism in terms of socio-economic relations. The first thing to reckon with is

the great dependence of the newly-liberated countries of Asia and Africa on the world capitalist economic system and the international capitalist division of labour. The peoples of the former fringe areas of tsarist Russia, Mongolia and several other now socialist countries did, of course, suffer the torments of colonial oppression and imperialist exploitation, but the victory of the socialist revolution and the establishment of the proletarian dictatorship in the socialist countries also signified their escape from the world capitalist system and their withdrawal from the world capitalist division of labour. The newly-liberated socialism-oriented countries were kept within the colonial system of imperialism for a longer period, and this left a much deeper scar on their socio-economic relations and on their socio-economic structures. Even after they have attained political independence and have proclaimed their socialist orientation, these countries remain within the framework of the world capitalist system and are subjected to neocolonialist exploitation. The greater dependence of the countries of Asia and Africa on the world capitalist economy has also resulted in greater ties with the capitalist world. Not only petty-commodity production, but to some extent capitalist relations of production have also been given much scope for development in most newly-liberated countries even after they rose to political independence. There is a private-capitalism sector, consisting of the local bourgeoisie, in virtually all the socialism-oriented countries, which are also, as a rule, still under considerable influence from foreign capital.

Do not the relatively greater development of capitalist relations in the socialism-oriented countries and their dependence on imperialism contradict the very idea of "bypassing capitalism"? No, they do not, for despite some development of commodity-money and capitalist relations, vast layers of pre-capitalist relations will still be found in the socialism-oriented countries. Not just a sizable part, but often the bulk of the population in these countries, especially in the rural areas, is involved in pre-capitalist economic forms.

One should also bear in mind that over the recent decades capitalism in the developed capitalist countries has kept evolving, so that, far from shrinking, the gap between the socio-economic development levels of the former colonies and

dependent countries, on the one hand, and their erstwhile metropolitan states, on the other, has sizably widened. In present-day conditions, the idea of "bypassing capitalism" or the "capitalist stage of development" has a very concrete historical meaning, as compared with that in which it was used at the end of the 19th century or in the 1920s and 1930s. "Bypassing capitalism" today means the realistic possibility for the newly-liberated countries to avoid passing through the stages and forms of capitalism which are now characteristic of the developed capitalist countries.

The assistance to the socialism-oriented countries coming from the victorious proletariat—one of the necessary conditions for their successful advance to socialism—also has its distinctive features, and this means not only the socialist-community countries' much greater potentialities in giving effective assistance and all-round support in building up their national industry and agriculture, training their national personnel, extending loans and credits on easy terms, etc. Of equal importance is the socialist countries' moral and political support, the attractive power of their example, and the possibility for the socialism-oriented countries of making creative use of the international experience of socialist construction. The monopoly of imperialism on economic ties with the developing countries of Asia and Africa was undermined by the socialist-community countries back in the mid-1950s, but this does not signify that world socialism lays claim to establishing its own monopoly on external economic ties with all the newly-liberated countries generally, including those taking the socialist orientation. After all, the international capitalist division of labour between the former metropolitan countries and the colonies took decades to shape, which is why the grave effects of imperialist exploitation cannot be eliminated at short notice.

However, the existence and development of the world socialist system opens up for the newly-liberated countries, those taking the socialist orientation in the first place, new and favourable potentialities for a radical restructuring of the whole system of present-day international relations. A realistic possibility has now appeared, for the first time in history, to pursue a skilful and principled policy so as to neutralise the enslaving political terms which imperialism dictates in its relations with the

newly-liberated countries. But however favourable present-day international conditions for the socialism-oriented countries may be, their advance towards socialism still crucially depends on internal-development factors: utmost mobilisation of all their internal resources for a gradual and stage-by-stage transition to socialism. Effective support from the forces of world socialism and progress gives them reliable assistance, but the building of socialism has always been and will continue to be above all an endeavour for the peoples themselves.

3. THE SOCIALIST ORIENTATION: SUBSTANCE AND CRITERIA

The Nature of Political Power in the Socialism-Oriented Countries

There is nothing cut and dried about the socialist orientation: it is a highly dynamic social phenomenon, a revolutionary process which passes through various stages in its development.

The establishment of a revolutionary power propelling the country along the way to socialism is the starting point for the advance towards socialism. As the national-liberation revolution develops, members of the local bourgeoisie, the feudal elite and the pro-imperialist circles are removed from the political leadership. Political power, that in the centre above all, passes into the hands of the revolutionary-democratic forces acting for the benefit of the working class, the peasantry and the progressive intelligentsia. Such a qualitative leap in the country's political life signifies the beginnings of a new and specific historical form of political power of the working class and the peasantry in the socialism-oriented countries. The political form of the state system in the socialism-oriented countries could be characterised as the state of national democracy. The CPSU Programme defines the political basis of the state of national democracy as a bloc of all the progressive and patriotic forces fighting for full national independence, for broad democracy, and for carrying the anti-imperialist, anti-feudal and democratic revolution to the end.

One should bear in mind, however, that the socialist-orientation line, especially at its initial stages, is conducted under the

leadership of revolutionary-democratic forces, but in the presence of a working class that is weak organisationally and politically, and petty-bourgeois and other non-proletarian strata that are politically active.

While the local bourgeoisie and the feudal elite may have been removed from the central political leadership, the opponents of the socialist orientation still retain, initially, at any rate, fairly strong positions within the state apparatus and especially in the various administrative and government agencies in the localities.

The class struggle is further complicated when favourable conditions for the emergence and development of the so-called bureaucratic bourgeoisie are created by the bureaucratisation and corruption of the state apparatus alongside highly tenuous control on the part of the working people's political authorities and organisations in some countries. The key decisions taken by the highest political authorities and meeting the class interests of broad masses of working people are, in a sense, bogged down in the bureaucratic labyrinth of the executive agencies of the state apparatus. Indeed, some of these decisions are simply sabotaged by the corrupted elements, while the rest reach the people in a distorted and twisted form.

That is why radical reforms like the break-up and restructuring of the old state apparatus, and a drive against tribalism, red-tape and corruption are among the primary tasks to fulfil in consolidating the revolutionary power in the socialism-oriented countries, with special emphasis on involving the working people in the management of production, their active participation in every sphere of social life, and establishment and strengthening of the organs of the democratic power from top to bottom.

Reorganisation or creation of new mass organisations of working people is a difficult but necessary and important task of socialist orientation. In the new conditions, the trade unions, for instance, should not only defend the working people's interests but should also do much to involve them in the management of production, to educate a new attitude to work, etc. Youth and students' unions, unions of women, peasant associations and similar other organisations are, as a rule, set up from scratch.

Unless these tasks are fulfilled, it is impossible to set up a bloc of all the progressive and patriotic forces and to shape and organise the mass basis of the democratic revolution.

The strengthening of the national armed forces capable of defending the gains of the revolution is given special attention in the socialism-oriented countries. The experience of the past several decades has shown very well that the army cannot remain neutral with respect to the political changes taking place in the country. The assertions that the army is always a reactionary and repressive force, whatever the circumstances, have been refuted by life itself, while the opposite view of the army being exclusively progressive in all the developing countries, and of its being the most organised force that is always patriotic and revolutionary, whatever the circumstances, has also proved to be untenable. The latter view has sometimes led to the unwarranted conclusion that the army is capable of successfully exercising the functions of a revolutionary political party. In actual fact, the political role of the army, like that of other state institutions, is determined by the class character of a country's political power, and the army's behaviour largely depends on the extent to which the revolutionary power is capable to exercise its political leadership, carry on the ideological education of the national armed forces, and fill responsible army posts with officers completely loyal to the cause of the revolution. Extensive and systematic organisational and political work in the army is obviously also a key task in shaping the socialist orientation.

Radical changes are under way both in the socialism-oriented countries' domestic and foreign policy. These countries are the vanguard of the newly-liberated states in their struggle against imperialism. There is growing international recognition of the socialism-oriented countries' more resolute and consistent struggle against every form of imperialist oppression and for the establishment of a new international economic order.

These countries' foreign policy is aimed to consolidate the alliance of the socialist orientation and the socialist-community countries, the vanguard of the international revolutionary movement, and that is natural. After all, the working class of the socialist countries is the social and political mainstay of the socialism-oriented countries in their advance to socialism, by-

passing capitalism. The international socialist working class partially fulfils its revolutionary function with respect to the newly-liberated countries' working people, without interfering in their domestic affairs, thereby, in a sense, compensating for the weakness or absence of a national working class. That is why all revolutionaries who are true internationalists understand that the successes of the socialist orientation largely depend on the extent to which the alliance between these two streams of the international revolutionary movement is developed.

What Is Revolutionary Democracy?

A full comprehension of the nature of the political power in the socialism-oriented countries requires a special examination of the "revolutionary democracy" concept so as to express it in more precise terms. Let us bear in mind that in these countries all political power has been taken over by revolutionary-democratic forces and parties.

Lenin urged the need to examine every social phenomenon historically, i.e., not only the phenomenon as we see it today, but also its origins, the stages of its development, and the direction in which it has developed. He insisted on every phenomenon being analysed in the light of its interconnection with other phenomena of past, present and future. Those are Lenin's methodological instructions and they alone help to understand a multifaceted social phenomenon of our day such as is revolutionary democracy in the countries which have won political independence. The concept of revolutionary democracy has long since been defined by Marxists, notably Lenin, who says: "If we do not employ the phrase 'revolutionary democracy' as a stereotyped ceremonial phrase, as a conventional epithet, but *reflect* on its meaning, we find that to be a democrat means reckoning in reality with the interests of the majority of the people and not the minority, and that to be a revolutionary means destroying everything harmful and obsolete in the most resolute and ruthless manner."³⁸

Present-day revolutionary democracy is a historical form of

³⁸ V. I. Lenin, "The Impending Catastrophe and How to Combat It", *Collected Works*, Vol. 25, p. 337.

revolutionary democracy in general. Revolutionary democracy is expressed in the sphere of ideology and politics in the capacity of individual non-proletarian revolutionaries to voice the class interests of the broadest strata of the working masses, to side with Marxism and accept its basic propositions. However, the concrete content, forms of manifestation and evolution of revolutionary democracy tend to differ with the part of the globe and with the historical epoch.

Revolutionary democracy has its historical antecedents. In Russia, its most outstanding representatives were Belinsky, Dobrolyubov, Herzen and Chernyshevsky, and their writings are still of much interest in our day.

The Russian revolutionary democrats came close to the scientific view that the bourgeois society is based on capitalist property in the means of production, and so to an understanding of the causes of class inequality. Their sharp critique of the capitalist relations of production was highly valued by Lenin, who was also aware of their weakness. He took a negative attitude to the theory of "Russian socialism" (which held that the peasantry was the chief motive force of the revolution), as advocated by Alexander Herzen, while stressing that in some periods bourgeois-democratic demands were inevitably clad in a socialist form, which did not, however, hamper the pursuit of the revolutionary-democratic line.

Much interest attaches to Lenin's appreciation of the revolutionary democrats in the countries enslaved by imperialism, in particular, his analysis of the views of Sun Yat-sen, which were shaped under the influence, on the one hand, of traditional Chinese economic notions, and on the other, of European socialist doctrines, the Great October Socialist Revolution in Russia, and the capitalist reality of Europe.³⁹

Sun Yat-sen exposed the defects of capitalism and in 1919 formulated a socio-economic "people's livelihood" programme. He wanted China to have a mixed state-capitalism economy bringing together state and private enterprise. He advocated the absolute etatisation of the crucial sectors of the economy, because he believed that this would make it possible to set up a society of "people's livelihood" or "state socialism".

³⁹ See V. I. Lenin, "Democracy and Narodism in China", *Collected Works*, Vol. 18, pp. 163-169.

Lenin's analysis of the views of Sun Yat-sen is of great methodological importance for an examination of revolutionary democracy in Asian and African countries. Lenin took a dialectical approach to Sun Yat-sen's economic conception, scrutinised it in all its complexities and contradictions, and discerned its progressive and negative aspects. Lenin regarded Sun Yat-sen above all as a spokesman for revolutionary peasant democracy, a truly revolutionary movement of the hundreds of millions who are finally being drawn into the stream of world capitalist civilisation".⁴⁰

Lenin remarked on Sun Yat-sen's democratic attitude, which reflected his "warm sympathy for the toiling and exploited people, faith in their strength and in the justice of their cause",⁴¹ but which also showed Sun Yat-sen's petty-bourgeois inconsistency on economic matters, and said that his economic conception, including his belief that at that stage China could bypass capitalism, was a petty-bourgeois utopia.

In the epoch of capitalist domination, Sun Yat-sen formulated his famous "three people's principles" (nationalism, democracy and people's livelihood).

While national-liberation revolutions could have resulted in the overthrow of the colonial yoke in that historical period, they could have merely led to a development of the capitalist relations of production, because neither the world situation, nor the balance of class forces in any of the colonial and semi-colonial countries, nor yet the level of their socio-economic development could open up potentialities for a different mode of production.

Revolutionary Democracy and Its Evolution Today

Revolutionary democracy in the newly-liberated countries emerges in a fundamentally new historical epoch, as compared with the revolutionary democracy of the past. It emerges in the presence of world socialism and the further development of the revolutionary process throughout the world, and results from the victory of the national-liberation movement in Asian and African countries. The appearance of a revolutionary-democratic

⁴⁰ *Ibid.*, p. 164.

⁴¹ *Ibidem.*

line within the newly-liberated countries' ideological and political life is evidence of the growing influence of the theory and practice of Marxism-Leninism on the present-day national-liberation movement.

The role of world socialism and the Marxist-Leninist theory in the formation of contemporary revolutionary democracy can hardly be exaggerated. The content and directions of mankind's development are being increasingly determined by the world socialist system as the chief anti-imperialist force, and this creates favourable external conditions for the struggle of the peoples in Asian and African countries for their social emancipation and for the translation of the revolutionary democrats' socialist ideals into reality.

At the same time, the internal socio-political conditions in which the national-liberation revolution itself has to develop are equally important for an understanding of the factors behind the emergence and development of revolutionary democracy. It has moved into the van of the national-liberation revolutions, evidencing not only the crisis of the capitalist mode of production, as a social system in its totality, but also the crisis of the political authority of the local bourgeoisie and its incapacity to solve the newly-liberated countries' socio-economic problems. The contradictions of capitalist development in the African and Asian countries themselves are also a factor behind the choice of social way of development. Whereas in the recent past capitalism was unacceptable in these countries as a system implanted by the colonialists, it is now being rejected in the light of their own experience, which has made it perfectly obvious that, as a mode of production, capitalism is incapable of solving the pressing problems of socio-economic development in the newly-liberated countries.

For revolutionary democracy, Marx's theory has become more than an attractive force; its comprehension and creative application to the realities of our day are also being dictated by the whole practical revolutionary struggle. Samora Machel, leader of the FRELIMO Party, says that "for the world revolutionary movement, and in particular, for the African revolutionary movement, it is now especially important to show in fact that the orientation towards Marxism-Leninism is not a result of an 'import of ideas', but of a conscious outcome of the

struggle by the oppressed peoples and classes for their liberation".⁴²

Another characteristic aspect of revolutionary democracy in the newly-liberated countries is that its evolution towards acceptance of the ideas of scientific socialism did not begin through the class struggle of the national proletariat, but has been a result of the development of the national-liberation movement. In the sphere of ideology, this means the adoption by the left wing of petty-bourgeois nationalists of the revolutionary-democratic ideology, in which problems of social emancipation are increasingly important alongside the problems of national liberation. And while the importance of the class struggle tends steadily to increase as revolutionary democracy evolves, the national aspects of social development continue to be—and will probably long remain—essential in the revolutionary-democratic ideology.

The social environment which now generates revolutionary democracy has also become very much broader. In the past, it consisted mainly of those who came from the midst of the landed gentry or of intellectuals who were not of "gentle birth"; today, many revolutionary democrats in the countries of Asia and Africa come from peasant families, from the urban petty bourgeoisie, army officers, the intelligentsia and even from the feudal tribal elite.

Under the currently growing influence of world socialism, revolutionary democracy in the newly-liberated countries of Africa has been evolving towards the acceptance of the ideas of scientific socialism at a faster pace, and the comprehension of some propositions of Marxism among present-day revolutionary democrats tends to be broader and deeper than it was among their predecessors.

Revolutionary democracy in Asian and African countries already has a history of its own, which testifies to the ideological and political development of the national-liberation revolution.

During the struggle for political independence (1940s and 1950s), many African and Asian revolutionaries were under the illusion that it was possible to attain some kind of national unity,

⁴² *Documents of the FRELIMO Party of the People's Republic of Mozambique: Third Congress, Maputu, February 3-7, 1977*, Nauka Publishers, Moscow, 1980, p. 34 (in Russian).

and their notions of the social order to be established in their countries after liberation were very vague, but even then some put forward conceptions of "national socialism" in which socialist ideals were combined with the idea of African and Arab exclusiveness and with an idealisation of the pre-colonial past.

With the attainment of political independence, reality itself began to refute the conceptions of "national socialism", for these could not offer any theoretical or practical solutions to the cardinal problems faced by the peoples of Asia and Africa.

Experience in the class and socio-political struggle and the impact of the ideas of scientific socialism led to a substantial evolution in the ideology and policy of revolutionary democracy. In a relatively short historical period, many revolutionaries in Asian and African countries managed to overcome considerable difficulties in shaping their political and ideological views and advancing from spontaneous anti-capitalism to a more profound understanding and assimilation of the theory and practice of scientific socialism. The very logic of the revolutionary struggle led to the emergence of the following paramount features of consistent revolutionary democracy of the 1970s and 1980s:

First, acceptance of the fundamental principles of scientific socialism and resolute rejection of the theories of "national socialism", both in their bourgeois and petty-bourgeois forms.

Second, recognition of the class struggle and the working people's leading role as the main factor in the society's socio-political development.

Third, ever greater awareness of the role of the world socialist system in the world revolutionary process.

Fourth, abandonment of most of the traditional utopian views and the idealistic world view which are characteristic of the petty-bourgeois ideology, and efforts to comprehend the Marxist dialectical method and the materialist world view in contrast to the progressive petty-bourgeois theorists' habit of selective acceptance of the propositions of the Marxist political economy and theory of scientific socialism.

Fifth, conscious acceptance of the functions of spreading the fundamental ideas of scientific socialism and the Marxist ideology (especially in the countries where the revolutionary democrats are in power), organisation of nation-wide campaigns for

the spread of scientific socialism, publication of theoretical articles, books and pamphlets to popularise Marxist-Leninist ideas; organisation of party schools, special courses and circles for the spread of the ideas of scientific socialism (in some socialism-oriented countries of Africa).

We find, therefore, that in the sphere of politics and ideology revolutionary democracy differs substantially from the petty bourgeoisie, but nothing of what has been said should lead to an underestimation of the substantial distinctions between revolutionary democrats and true Marxists.

While bringing out revolutionary democracy as an ideological trend in its own right, we emphasise that it is a peculiar form of transition from petty-bourgeois nationalism (the predominant ideology of the petty bourgeoisie in Asian and African countries) to scientific socialism, i.e., Marxism-Leninism. In other words, revolutionary democrats are no longer petty-bourgeois ideologists and politicians, but they are not yet Marxists, and that is quite natural, because the transition from petty-bourgeois nationalism to Marxism is, as a rule, an intricate process running through a number of consecutive transitional stages.

But how do revolutionary democrats differ from Marxists, and why is it that their evolution towards Marxism should not be regarded as either predetermined or complete? There are essential distinctions between revolutionary democrats and Marxists both in ideology and in social activity.

While assigning an important role to the working people in their countries in every sphere of political and economic life, revolutionary democrats have yet fully to accept the key Marxist proposition concerning the crucial role of the international working-class and communist movement and of world socialism in the contemporary revolutionary process.

They are now and again inclined to exaggerate either the importance of their national revolution or the role of the national-liberation movement in the world revolutionary process.

Revolutionary-democratic ideas about the solidarity of all the peoples fighting against imperialism are akin in spirit to proletarian internationalism, but are far from being identical with it.

The revolutionary democrats' attitude to the international working-class and communist movement and to proletarian internationalism is due, of course, not only to their petty-bour-

geois origins, but also to the social environment in which they have to act. The peculiarities of the class structure and struggle in the Asian and African countries are such that revolutionary democrats find it hard to discern the fundamental distinction between the role of the working class and the peasantry in the revolutionary transformation of their countries, and they have yet to comprehend the proletariat's historical mission. The revolutionary democrats' underestimation of the role of the working class also tends to tell on their attitude to the international working class.

Nor is it right to oversimplify the potentialities for the evolution of revolutionary democrats by considering it only from the standpoint of their evolution towards Marxism-Leninism. Their adoption of Marxist-Leninist positions frequently runs a zigzag course on a differing time-scale and with a possible assumption of painful forms of nationalistic extremism, the "revolutionary itch", and sometimes even of some "revolutionary fatigue".

The practice of the revolutionary movement in the African and Asian countries regrettably also provides instances of revolutionaries falling into despair in the face of grave difficulties in their activity, and eventually coalescing with the most reactionary nationalistic forces. Others have been unable to resist the temptations of graft and corruption and have also slid into the counter-revolutionary camp. In other words, the socialism-oriented countries could well produce phenomena which Engels noted in connection with the proletariat's revolutionary movement: "The movement of the proletariat is bound to pass through various stages of development; at every stage part of the people get stuck and do not join in the further advance."⁴³

Revolutionary-Democratic Parties

Revolutionary democracy consists not only of individuals but also of entire political coalitions which involve elements that are highly diverse, but which, on the whole, profess revolutionary-democratic policies and ideology. Lenin says that "revolutionary

⁴³ "Engels to August Bebel in Hubertusburg, June 20, 1873", in Marx and Engels, *Selected Correspondence*, p. 268.

democracy is an assembly of the most diverse elements (in terms of class *status* and *interests*, which is not the same thing at all!)”⁴⁴

Scale is the distinctive feature of present-day revolutionary democracy in Asian and African countries. In the past, revolutionary democracy was mostly professed by individuals or small groups of men, but nowadays revolutionary democracy involves mass political movements and parties. In other words, revolutionary democracy has become a politically organised force, and its responsibility and importance have grown immensely, especially in the socialism-oriented countries, where it holds political power.

Revolutionary-democratic parties differ markedly from one socialism-oriented country to another, and this distinction, together with the different degree of maturity of the socialist orientation itself, is due to the uneven growth of the subjective factor of social revolution in the newly-liberated countries.

A peculiarity of the revolutionary-democratic parties is that, as a rule, they crystallise from political associations and movements which are much broader in class and social make-up. As the national-democratic revolution in the newly-liberated countries deepened, and as the social antagonisms it generated were intensified and the class forces regrouped, the need arose for a restructuring of the broad political associations and fronts into revolutionary-democratic parties. Consequently, the requirements of the further development of revolutionary process made the establishment of a vanguard party capable of leading the revolution imperative. Back in 1968, the well-known African revolutionary Agostinho Neto said: “The experience of Africa has taught us many things. Amongst those, we must cite one more—the lesson that the party must control the life of the country during every moment. . . . It is necessary that the party be built up, that it constitute the backbone, the base and the principal element in the life of the nation.... Where there is no party, where the militants are not placed under a strict discipline, where the leaders are not bound to revolutionary principles—there anarchy enters. There the enemies penetrate easily, and

“ V. I. Lenin, “Petrograd City R.S.D.L.P.(B.) Conference, April 14-22 (April 27-May 5), 1917”, *Collected Works*, Vol. 41, p. 401.

instead of independence, we will have neocolonialism or an insecure balance between dependence and independence, between progress and reaction."⁴⁵

The formation of working people's vanguard parties is closely bound up with the deepening of the social content of the national-democratic revolution in the process of sharp class struggle, and also with the cohesion of the revolutionary-democratic forces on the basis of Marxist-Leninist ideas. That shows the influence exerted by the experience of party construction in the socialist-community countries on the revolutionary-democratic parties in the newly-liberated countries.

The formation of vanguard parties and the shaping of their organisational structure is a process running through different stages of development and coming up against various difficulties and contradictions. The changing social make-up of the ruling revolutionary-democratic parties is a common feature of the formation of vanguard parties. It is a reflection of the changes in class composition of coalitions and in the arrangement of political forces within the state power structure, and testifies to the qualitative change in the social nature of the state power, as the exploiter elements are barred from every type of state and political activity. While the revolutionary-democratic and vanguard parties of the working people have a common social-class base, there is greater emphasis in the latter on the vanguard role of the working class and its alliance with the peasantry. The programmatic documents of the working people's vanguard parties characterise them as the political vanguard, the front-ranking and most-organised contingent of the working people, as the vanguard party of the worker-and-peasant alliance, and the highest form of the people's organisation.

The formation of a new type of vanguard party, a working people's party, is a necessary condition for turning the ruling party into a genuine leading force of the society. Its establishment signifies the strengthening of the positions of the Marxist wing of revolutionary democracy. José Eduardo dos Santos said in his speech at the 26th Congress of the CPSU: "The

⁴⁵ Don Barnett and Roy Harvey, *The Revolution in Angola: MPLA, Life Histories and Documents*, Bobbs-Merrill Co., New York, 1972, pp. 33-34.

Party is structured and affirms itself in its specific conditions as a true Marxist-Leninist party."¹⁶

Comprehension of Lenin's doctrine concerning the need to set up a vanguard organisation of the working class in building the new society and of the experience of other communist and workers' parties in socialist countries is highly important. Mengistu Haile Mariam, Chairman of the Provisional Military Administrative Council of Socialist Ethiopia, said that in the light of Lenin's idea that the proletariat needs a party which is guided by Marxism, the advanced theory, the Ethiopian revolution has from the outset made great efforts to unite and organise all the revolutionary forces and to raise the level of their political consciousness and ideological commitment.

Chairman of the Central Committee of the Congolese Party of Labour Denis Sassou-Nguesso has emphasised that the party's organisational structure, orientation and ultimate goal have been determined in the light of the revolutionary experience of the new type of parties, among whom Lenin's party is a shining example.

The working people's vanguard parties work on the principles of democratic centralism, giving utmost attention to the class nature of the party and painstaking selection of its members. Party members must have a high level of awareness, firm ideological commitment, revolutionary spirit and high moral and political qualities so as to be dedicated revolutionary fighters.

The formation of vanguard parties signifies the growing role of the working class within the democratic bloc of the ruling forces in the socialism-oriented countries. Vanguard parties set the task of asserting the leading role of the working class and consolidating its alliance with the peasantry and other revolutionary forces. The formation of working people's vanguard parties is a profoundly objective process connected with the development of the national-democratic revolution and the class identification and consolidation of the progressive forces on the ideological basis of scientific socialism.

As the working people's vanguard parties gain in strength, as the ideological level of their members rises, as the party's

¹⁶ *The Words of Friends. Greetings Extended to the XXVI Congress of the CPSU by Communist, Workers', National-Democratic, and Socialist Parties*, Progress Publishers, Moscow, 1982, p. 367.

social make-up is changed, as the methods of guiding state and social development are improved and as the principles of democratic centralism and inner-party democracy are mastered, there is a growth in the activity of rank-and-file party members and their sense of responsibility for the activity of the party organisation as a whole is enhanced. All of this makes the party more combat-capable, consolidates its leading role in the society and the state, and creates the prerequisites for building a socialist society.

4. SOCIO-ECONOMIC SECTORS IN THE SOCIALISM-ORIENTED COUNTRIES' ECONOMY

Economic Problems and Contradictions

In the sphere of socio-economic relations, the developing countries inherit from colonialism archaic socio-economic structures, a checker-work of relations-of-production types and low-level productive forces. Their economic backwardness is combined with their all-round dependence on imperialism.

There is more to it than just economic backwardness and dependence. Let us bear in mind that the operation of the law of uneven economic and political development is expressed, in particular, in the fact that the development gap between the individual countries may narrow, so that those which had lagged behind overtake and even outstrip the others. It has happened in history again and again when countries dependent on others eventually changed places with them.

However, within the framework of the colonial system of imperialism, a special type of economic backwardness among the colonial and semi-colonial countries and their dependence on the imperialist powers took shape on the basis of the international capitalist division of labour, so that the lagging countries made up the peripheral part of the world capitalist economy. Their socio-economic backwardness and dependence was regularly and systematically reproduced even when they increased their output so that, far from diminishing, the gap between the development levels of the metropolitan countries and the colonies, in fact, increased. This constant reproduction of a special type of backwardness is expressed in the synthetic term "underdevelopment".

Consequently, "underdevelopment" is a concrete historical category which is characteristic of the period in which the world capitalist economy and the colonial system of imperialism was taking shape. It continues to exist in our day, even after the colonial empires have collapsed, but while the neocolonialist international division of labour within the framework of the world capitalist economy continues to exist.

The socialism-oriented countries' economy is also characterised by underdevelopment, i.e., economic backwardness and dependence on imperialism, a factor which creates additional problems and specific contradictions as these countries advance towards socialism.

In the socialism-oriented countries there is a characteristic contradiction between the advanced and progressive political superstructure and the backward and undeveloped economic basis. In substance and class character, political power in the socialism-oriented countries is a much more advanced and revolutionary form of democracy, as compared with the political regimes in the other newly-liberated countries, and even with the bourgeois democracy of the most developed capitalist countries. Their economic basis, however, is extremely backward and contains next to no material conditions for socialism.

A sizable part of their population is engaged in agriculture, where patriarchal and subsistence farming continues to predominate. Not only their capitalist but also their commodity-money relations are far from comprehensive, and the contradiction between labour and capital has yet to become the main social contradiction. At the same time, some communal traditions of the peasantry, their customs of mutual assistance, the absence of the individualist mentality, a measure of collectivism, etc., could be used to involve the peasants in the socialist transformation of agriculture. However, their scattered farms, on which primitive implements and simple forms of cooperation are used, cannot in any sense be regarded as ready-made forms of socialism. In these countries' agriculture, deep-going transformations, both in the productive forces and the relations of production, will have to be carried out in order to prepare the conditions for socialist-type producer cooperation.

Petty-commodity production tends to develop quite rapidly everywhere in the socialism-oriented and other newly-liberated

countries: the number of petty traders and artisans tends to grow in the town, and in the countryside peasants are able to sell an ever greater part of their produce on the market or to the state, thereby markedly improving their material condition.

The development of petty-commodity production provides the basis for the stratification of the countryside on class lines, as the richer peasants, artisans and traders start to use wage-labour, i.e., to operate their enterprises on capitalist principles.

Some development of the private-capitalism sector and of the local bourgeoisie produces even greater contradictions in the socialism-oriented countries, where the state legislates to allow the existence and even some development of private capital in the national economy, because all its needs cannot as yet be ensured by the young and still far from strong state sector. Virtually every socialism-oriented country faces the important task of boosting the production of agricultural produce and raw materials in every possible way, which is why it cannot afford to ignore the production potentialities either of petty-commodity production or of local private capital. Many private enterprises are also set up in the urban areas, and these include small repair shops, building outfits, private hotels, cafes, restaurants and other establishments in the service sphere. Private capital tends to be most prominent in retail trade.

However, if the private sector in the economy is under effective control by the state, if it abides by the prescribed conditions and does not break any laws, it does not, ultimately, pose a threat to the socialist orientation. The private-capitalism sector can help to develop the national economy, increase internal accumulations and achieve the country's economic independence. But local capitalist entrepreneurs who engage in tax evasion, cook the books to cover up their true earnings, artificially create shortages of various goods so as to spiral prices are a horse of another colour. Members of the local and especially of the bureaucratic bourgeoisie attempting to set up underground political groups to stage a counter-revolution against the country's socialist orientation pose an even greater danger and produce a sharp political contradiction between individual groups of the local bourgeoisie and the revolutionary political power, which then has to take resolute steps to cut

short the political counter-revolutionary activity of internal reactionaries in order to preserve the line of socialist orientation.

So, the presence of a local private-capitalism sector in the national economy does not pose the main danger for the socialism-oriented countries' socio-economic development, but at the initial stages their greatest difficulties spring from the fact that foreign capital, as a rule, continues to have fairly strong positions in the national economy.

Pre-Capitalism Socio-Economic Sectors

We find, therefore, that the contradictions in the economic development of the newly-liberated countries, notably the socialism-oriented countries, largely spring from the patchwork character of their national economy, that is, the existence of different-type relations of production or different socio-economic sectors.

The most diverse social types of economy (sectors) are to be found in the socialism-oriented countries, with the corresponding productive forces and relations of production. It is also important to bear in mind that each sector is represented by highly concrete social classes and strata. Every boundary line in the society is as relative and fluid as it is in nature. The boundary lines between socio-economic sectors are highly fluid and sometimes very vague indeed. Still, we believe that it is right to identify several typical sectors in the socialism-oriented countries.

Among the pre-capitalism sectors there is *the subsistence-economy sector*, with the productive forces at an exceptionally low level and with communal and semi-feudal relations. It is a sector which frequently involves a sizable part of the rural population, but its products hardly ever reach the market and are consumed within the household. The communal peasant, the main producer, lives in extreme privation and makes use of unproductive and archaic implements of labour. Because of the extremely low labour productivity, reproduction is not expanded but simple, so that accumulations are virtually impossible.

The simple commodity-production sector is another pre-

capitalism sector, and it is similar in many ways to the subsistence-economy sector: we find the same backward farming implements and traditional techniques, and the same indigence and illiteracy among the peasants and members of their families. But under simple commodity production, labour productivity is somewhat higher, so that a part of the product is set aside for sale and there is fairly considerable development of commodity-money relations. Some farmers and artisans in the towns already make use of wage-labour, however irregularly. But a sizable part of the petty-commodity producers go to the wall, have to abandon their plots of land and tiny workshops and seek work elsewhere.

The Private-Capitalism Sector

A *private-capitalism sector* will be found in virtually all the socialism-oriented countries. It is characterised by the development of capitalist relations of production and the existence of various strata of the local bourgeoisie.

Some say that this sector is "progressive", as compared with the pre-capitalism sectors: the subsistence-economy and the petty-commodity sector. Indeed, the enterprises in the private-capitalism sector use improved instruments of production, the labour organisation is more ordered, the whole product goes for sale on the market, labour productivity is higher, and the rate of accumulation is also higher than it is in the pre-capitalism (traditional) sectors.

Accordingly, advocates of capitalist development have even suggested some historical analogies. Thus, they ask the following question: if the young European bourgeoisie of the 18th and 19th centuries was able to solve many problems of economic development, and above all to create an industrial economy with developed productive forces, why cannot the same be done now in the newly-liberated countries by the private-capitalism sector and the local bourgeoisie? The revolutionary role of the fledgling European bourgeoisie, when it led the bourgeois revolutions against feudalism and the feudal aristocracy, can hardly be denied, for at that time capitalist entrepreneurs constituted a rising and dynamic class promoting the all-round growth of the national economy and the development of the productive forces. European capitalism developed on its own basis:

national production was closely bound up with the domestic market, which, for its part, created the potentialities for the sale of its products and the development of the national industry. Capital was invested not only in commerce, but also in production: industry, agriculture, transport, building, etc. The young bourgeoisie's way of life differed markedly from that of the feudal aristocrats, for its members were, as a rule, dynamic and enterprising businessmen who were prepared to go to any length and use any means to defeat their rivals in the competition. Compared with those of the feudal lords, their way of life, dress, personal consumption and everyday habits were much more modest and moderate.

However, when saying that the capitalist mode of production is more progressive than the feudal mode, one should not idealise capitalist development in general and capitalist industrialisation in particular. How was primitive capitalist accumulation effected in Europe from internal and external sources? At what price were the conditions for economic development created? Let us recall the fierce exploitation of the working masses at home, predatory wars, piracy on the high seas and colonial seizures of vast territories and even entire continents. That was the period in which the permanent army of unemployed was formed, when social contrasts became much deeper and larger, and when the class antagonisms reached boiling point. One should also reckon with the fact that capitalist industrialisation proceeded over a long historical period—something like 150-200 years.

But let us return to the private-capitalism sector in the newly-liberated countries. The local bourgeoisie is relatively young, but has essentially distinctive features, as compared with the European bourgeoisie of the period in which it was the motive force of capitalist development in altogether different historical conditions.

The bourgeoisie of the developing countries emerged in the national arena after capitalism had long since ceased to be the advanced mode of production, and reached its highest and final stage, imperialism.⁴⁷

⁴⁷ For more details on imperialism see: Yuri Popov, *Essays in Political Economy. Imperialism and the Developing Countries*, Progress Publishers, Moscow, 1983.

The victory of the October Revolution and the emergence of socialism, a more progressive social system, has pushed capitalism into the stage of its general crisis, while the bourgeoisie as a class has lost its political and economic leadership in mankind's historical destinies for good.

The local bourgeoisie's activity in the developing countries is geared not so much to the development of national industry as to the extraction of profit in commerce, the services, foreign-exchange speculation, etc. Nor can the private-capitalism sector in these countries solve the problem of raising labour productivity and increasing accumulations, for the enterprises of the local bourgeoisie are usually equipped with obsolescent hardware and cannot use modern forms of labour organisation and the latest technologies. Under the impact of the Western model of consumption, members of the local bourgeoisie spend vast amounts of money for unproductive purposes and conspicuous consumption. A large part of the profits is remitted abroad. The whole way of life of the *nouveaux riches* in the newly-liberated countries is essentially different from that of the young European bourgeoisie of the past. Finally, the parasitic character of the local bourgeoisie is also expressed in the peculiar phenomenon of the bureaucratic bourgeoisie, a stratum of the local bourgeoisie which is virtually not involved in any kind of production activity. It consists of corrupt officials and managers who try to use the government apparatus for their personal enrichment, taking huge bribes not only from local businessmen but also from foreign companies, and squandering and embezzling public funds. This inflicts tremendous economic and often irreparable political damage, especially on the socialism-oriented state. Indeed, the comparison between the young bourgeoisie at the beginning of the capitalist mode of production in Europe and the local bourgeoisie in the newly-liberated countries is far from being in favour of the latter. The role of the private-capitalism sector and of the local bourgeoisie in national development should be assessed in the light of an objective and historical consideration of socio-economic problems, instead of subjective likes and dislikes for capitalism. In the epoch of the emergence of the capitalist mode of production, the bourgeoisie was a relatively progressive class, but in the latter half of the 20th century, i.e., in the epoch of the transition from

capitalism to socialism on a world scale, its role in social development is an extremely reactionary one. Neither in socio-economic nature and structure, nor in economic potentialities can the private-capitalism sector operate as the most dynamic and transformative force in the national economy of the socialism-oriented countries. The newly-liberated countries' experience shows very well that even the most intensive implantation of capitalism has not been capable of solving the most pressing and cardinal problems of socio-economic development in any of them.

Foreign Capital in the National Economy

Capitalist relations in the national economy of the newly-liberated countries, including the socialism-oriented countries, are represented not only by the private-capitalism sector and the local bourgeoisie. In virtually all of these countries, foreign capitalist companies, enterprises and establishments operate to this or that extent, constituting the *foreign capitalist-enterprise sector*, which has a number of specific features and peculiarities.

Like local business, foreign capitalist companies naturally operate for the purpose of extracting the highest possible profits through the exploitation of wage-labour, but the level of their productive forces, technical equipment, forms of labour organisation and scale of production are very different from those at local capitalist enterprises.

Foreign enterprises in the national economy are most often subsidiaries of powerful transnational monopolies, which find it extremely profitable to intrude into the developing countries' national economy. To these countries they frequently transfer the "dirty" lines of their production (metallurgy, chemicals), so saving large amounts of money which they would have had to spend at home on waste-disposal facilities. They are also attracted by the cheap labour-power, the "soft" taxation policies, the superficial control over their activity and other favourable conditions which enable foreign capital to reap fabulous profits.

Is it right to say that foreign capitalist companies could provide the impetus to economic development which the econom-

ically backward countries need so badly? After all, some governments have even proclaimed an "open door policy", i.e., they have created exceptionally favourable conditions for foreign investments. The advocates of foreign capital present roughly the following theoretical arguments: foreign monopolies have advanced hardware and technology, skilled specialists, better labour organisation, and much ampler financial and material resources for the large-scale projects that local capital is still too weak to undertake.

However, this technico-economic approach tends to emphasise some of the characteristic features of foreign capital, without bringing out its socio-economic substance and—most importantly—the socio-economic consequences of its activity for national-economic development. It would, after all, be extremely naive to assume that its development is uppermost in the minds of foreign capitalists. What is the real objective of the transnationals and their subsidiaries in the developing countries? The answer is perfectly obvious: it is to maximise their profits. Here is a fact to bear in mind: on every dollar invested in the developing countries' national economy, foreign capital earns \$3 or \$4 and even more. But that is not the whole point. The activity of foreign capital fails to bring about the stable, accelerated and—most crucially—comprehensive development of the national economy or to lift it out of its state of "underdevelopment". Foreign capital effectively refrains from investing in the projects which are provided for by the newly-liberated countries' national-economic development plans. What is more, it repatriates the bulk of its profits, instead of reinvesting them in the national economy.

Nothing has come of the hopes pinned on technology transfer either. The enterprises owned by foreign companies do, of course, have a higher level of technology, but they are no more than tiny enclaves in the sea of the developing countries' overall technical backwardness. Without their own research and development facilities, the developing countries cannot, as a rule, develop the latest types of products by applying the most modern advances in science and technology. Indeed, far from being reduced, their technological dependence on imperialism has, in fact, deepened over the past decade, and for the following reasons:

foreign capital makes very little use of the manpower and material resources available in the national economy, for the high-technology foreign enterprises do not require much labour-power, and foreign companies import not only the technical equipment, but also the materials which are locally available;

foreign companies lure away the most skilled national personnel, and this often does tangible harm above all to the state sector of the national economy;

foreign companies make a practice of bribing government officials and spreading corruption.

One could well go on listing the negative consequences of the activity of foreign capital which harms the newly-liberated countries' socio-economic development, but this problem is being considered in depth not for the purpose of urging total abandonment of any ties with foreign capital, but rather of insisting on the realisation of the developing countries' basic demands for establishing a new international economic order. International cooperation should be equitable and mutually advantageous. Foreign capital in the developing countries' national economy can be used up to a point and within reason, for foreign enterprise cannot and must not become the basic and determinative factor in shaping the national economy.

State Capitalism in Socialism-Oriented Countries

"Mixed enterprises", combining state property with the property of local or foreign capital, constitute a special sector in the socialism-oriented countries. The growing role of the state is manifested not only with respect to local and foreign capital, for state regulation is also being increasingly extended to other sectors of the economy of the socialism-oriented countries. Consider, as an example, the lower forms of agricultural cooperation in the countryside and artisan cooperatives in the towns. On the one hand, such cooperatives are, as a rule, based on private property in the means of production. On the other, the state makes use of contracts to determine the volume of state procurement and to fix purchase prices, extends credits and loans and makes other material and technical assistance avail-

able to peasants and artisans.⁴⁸ In other words, there again we have a definite combination of private and state property.

Consequently, "mixed enterprises" and the lower forms of co-operation in town and country aggregate into a *state-capitalism sector in the socialism-oriented countries*.

But do not the existence and even the development of state capitalism in the socialism-oriented countries cast doubt on the socialist orientation itself? No, they do not, because the socio-economic content of state capitalism and the prospects before it depend on the political power and the socio-economic conditions existing in the country. In the developed capitalist countries, state-monopoly capitalism means the coalescence of the power of capitalist monopolies and the power of the state in a single mechanism geared to the extraction of monopoly super-profits.

State capitalism also has its peculiarities in the capitalism-oriented developing countries, where the main function of the state-capitalism sector is to create the most favourable conditions for the development of the local bourgeoisie's private-capitalist enterprise.

State capitalism has a totally different socio-economic content in the socialist countries under the proletarian dictatorship in the transition period. Lenin held that state capitalism could be used to the utmost in the course of socialist construction, provided the class interests of the working class and the labouring peasantry were fully safeguarded.

In class and socio-economic content, state capitalism in the socialism-oriented countries is, of course, far from being identical with state capitalism under the proletarian dictatorship, but of all the listed socio-economic sectors, state capitalism in the socialism-oriented countries has the greatest potentialities for consistent transformation into a socialist sector in the future.

In scope of socialised production and level of technical equipment, the state-capitalism sector is more advanced than the pre-capitalism sectors, for it makes it possible to mobilise the financial resources of the local and foreign bourgeoisie and to use their business expertise and organisational skills.

⁴⁸ Let us recall that Lenin regarded low-level cooperation under the dictatorship of the proletariat as a form of state capitalism.

The potentialities for transforming the state-capitalism, sector into a socialist sector cannot, of course, be realised automatically, for the former is probably still highly vulnerable to influence by foreign and local capital, so that what happens to state capitalism in the socialism-oriented countries depends on the radical changes within the whole system of the relations of production in these countries.

First, it depends on the evolution of the relations of production within the sector, on the balance between state and private property within it, and on success in socialising production in actual fact. Second, it depends on the relations between the sectors, which means above all cooperation between the "mixed" and state enterprises, joint efforts to oust foreign capital from the national economy and curb the private-capitalism sector. Third, it depends on the evolution of international economic relations: how successfully control over operations by foreign monopolies is exercised in these countries and economic relations are developed with the socialist-community countries.

The Leading Sector in the Economy of the Socialism-Oriented Countries

The state sector has been fairly rapidly developing in the national economy of all the newly-liberated countries, and this is connected above all with the growing economic functions of the state and these countries' objective need to escape from the state of economic backwardness and dependence on imperialism.

The state sector has been developing most rapidly in the socialism-oriented countries, but the pace of development is, of course, not the sole consideration. The main thing is its socio-economic substance and leading role with respect to the other sectors of the national economy as the principal part of that special sector on which the revolutionary-democratic state relies in its orientation towards socialism. In other words, in the socialism-oriented countries, the state sector is characteristically not only anti-imperialist (which is also inherent in many other newly-liberated countries), but also provides the material basis for creating the necessary prerequisites for building socialism.

The state sector in the national economy is formed in different ways. It springs most frequently at the initial stage of the

national-liberation revolution from the nationalisation of foreign enterprises and establishments and also from the nationalisation of the enterprises of that part of the local bourgeoisie which has totally discredited itself by its ties with imperialism. As the revolutionary-democratic state is strengthened, some "mixed" enterprises are eventually included in the state sector. However, the emergence of new industrial enterprises in town and state farms in the country is the main source for the development of the state sector.

The economic and technical assistance given to the state sector by the socialist-community countries is a highly important factor in accelerating its development. The socialist-community countries' assistance is extended only within the framework of the state sector in the newly-liberated countries.

The cooperative sector in the socialism-oriented countries is also akin in socio-economic content to the state sector, and this is especially true of producer cooperation, i.e., the higher forms of cooperation.

Many socialism-oriented countries have already produced agricultural, fishing and handicraft cooperatives based on cooperative property—instead of private property—in the basic implements of production.

The state and cooperative sectors are closely interconnected, and a sizable part of the cooperatives' produce is procured by the state, while the revolutionary-democratic state extends technical assistance, loans and credits to the cooperatives and trains specialists for them. Agricultural cooperatives frequently farm state-owned land, while others lease buildings, fishing boats and other means of production from the state.

In the socialism-oriented countries, state enterprises and producer cooperatives constitute a special socio-economic sector which, broadly speaking, not only includes state enterprises and producer cooperatives, but also involves state foreign trade and the financial system.

What is the socio-economic content of this sector? There is a wide range of views here, some defining it as "anti-capitalist", others as "pre-socialist", and still others as "semi-socialist", each of these terms having both its own logic and also some vagueness. Those who designate it as "anti-capitalist" stress that it is not only anti-imperialist, but is also anti-capitalist. However,

while the term does contain a negation of capitalism, it does not define its relations of production. The term "pre-socialist" seems to focus attention on its being a sector that is close in content to the socialist sector, but has yet to become such. But then the state-capitalism sector in the socialism-oriented countries could likewise, in a sense, be designated as "pre-socialist", for it also helps to shape the necessary prerequisites for socialist relations of production in the future. Finally, those who call the sector "semi-socialist" seek to emphasise its transitional character and capacity to develop into a socialist sector. However, even allowing that it does contain some elements of socialism—say, a full half—what kind of relations of production make up the other half of this sector?

It is always fairly hard to give a precise definition and to find an adequate term for a new socio-economic phenomenon. Without claiming to have found the best definition for the socio-economic sector in question, we offer some considerations on the matter. This special transitional type of sector could, we think, be defined as *the revolutionary-democratic sector based on revolutionary-democratic property* in its two main forms: state property and cooperative property.

Here now is the rationale for this approach. Every sector is a social type of economy based on a fairly integral and intricate system of relations of production with their own hierarchy and interdependence. These are relations of property in the means of production, distributive relations, relations involving the exchange of the products of labour, and relations in the sphere of consumption. Thus generalised, the relations of production could be divided into two main parts: the substantive relations of production, and the relations characterising the mode of running the economy.

The relations of production concerning property in the means of production rank first among the substantive relations within the framework of the revolutionary-democratic sector. What is state or cooperative property in the socialism-oriented countries? These forms of property could be defined as revolutionary-democratic property in the means of production, which could emerge and develop only after the political power is taken by revolutionary democracy expressing the class interests of the working class and the peasantry. That is why both state

and cooperative property in the socialism-oriented countries differs fundamentally in socio-economic content from state and cooperative property in the newly-liberated countries where power is in the hands of the local bourgeoisie. Considering all the existing sectors in the socialism-oriented countries, we find that the relations of exploitation have been eliminated only in the revolutionary-democratic sector, in which relations between free producers, i.e., relations of mutual assistance and equality, take shape in the process of production.

It would be premature, however, to define revolutionary-democratic property as socialist property, as that would be wishful thinking. It takes more than political power in the socialism-oriented countries to establish socialist property. The revolutionary-democratic power is not yet a dictatorship of the proletariat, and socialist property can emerge only after the victory of a socialist revolution and the establishment of the dictatorship of the proletariat. The means of production in these countries have been designated as social property in juridical law, but their socialisation is in fact just beginning. State enterprises have yet to establish organic and integral ties, and the state and cooperative sectors have yet to become an integrated national-economic complex. The revolutionary-democratic power is just acquiring its initial experience in administering and managing state and cooperative enterprises. In this context it is worth while to consider another group of relations of production connected with running the economy, where economic-organisation and managerial relations have a place apart.

It is also highly important to analyse the economic-organisation and managerial relations in order to determine the socio-economic content of any sector, in general, and of the revolutionary-democratic sector, in particular. This kind of methodological approach helps to clarify the interconnection between the basis and the superstructure, which is one of the key problems in developing the economy under the socialist orientation.

Indeed, it is the economic-organisation and managerial relations that are at the interface of production (basis) relations and the political superstructure. In a sense, they are more dynamic from the standpoint of evolution of the revolutionary-democratic institutions which are characteristic of the socialist orientation.

It is well-known that alongside the definitive influence exerted by basis relations on superstructural phenomena there is also the retroactive influence of the political superstructure on the economic basis. Revolutionary democracy makes creative use of the socialist countries' experience in organising and managing the economy, and exerts an active influence on the entire system of economic-organisation and managerial relations above all within the framework of the revolutionary-democratic sector, with its principles of planning, the working people's participation in the management of production, emulation between working people's collectives, etc., so spotlighting the transformative role of the subjective factor and its influence on the objective relations of production.

That is the basis on which it is possible to make revolutionary transformations purposeful and so considerably to shorten the process in which the prerequisites for the future socialist society are created.

So, the concept of "revolutionary-democratic sector" itself sums up its most characteristic features: its anti-capitalist character, its leading role with respect to all the other sectors, and its specific historical form of transition to socialism. The revolutionary-democratic sector is oriented towards socialism, without still being socialist in socio-economic content. It is a new and most dynamic socio-economic sector in the socialism-oriented countries. Lenin once remarked on "a state of transition—of transition from the old to the new—a state of growth of what is new".⁴⁹ The future of the socialist orientation itself largely depends on the development of the revolutionary-democratic sector.

5. THE ECONOMIC POLICY OF THE SOCIALISM-ORIENTED STATE

The Basic Tasks

The revolutionary state always has to put in a tremendous organisational effort in order to carry the country to socialism, the new social system. The role of the subjective factor which

⁴⁹ V. I. Lenin, "Original Version of the Article 'The Immediate Tasks of the Soviet Government'", *Collected Works*, Vol. 27, p. 209.

operates, in particular, through the economic policy of the political party and the state, invariably increases in importance under the socialist orientation, as it does in the course of socialist construction under the proletarian dictatorship.

There is much in common between the economic policy of the revolutionary-democratic state and that of the state of the proletarian dictatorship, because both have the same strategic objective: the building of a socialist society. Both policies are centred on the "human factor", i.e., the preparation of the socio-economic conditions in which the working man will be able to develop harmoniously. But alongside the main common objective—the building of a socialist society—the revolutionary-democratic state is faced with its own specific problems which are mainly connected with the special form of dependence on imperialism and the country's socio-economic backwardness. Before getting down to actual socialist construction, the revolutionary-democratic regime has to solve the difficult task of reducing and then eliminating the economic dependence on imperialism, which has many strands: dependence on foreign capital investments, technological dependence, financial dependence (indebtedness) and, finally, dependence on food imports.

The problem of economic independence had, of course, also to be tackled by the socialist countries in the period of their transition from capitalism to socialism, but the scale, comprehensiveness and depth of the socialism-oriented countries' dependence on imperialism bring the problem to the foreground, because the contradiction between the revolutionary-democratic sector and the foreign capitalist-enterprise sector in these countries is the chief and definitive one, at the initial stages of revolutionary transformations at any rate.

Socio-economic backwardness—the direct outcome of the recent colonial past—also confronts the socialism-oriented countries with a specific problem, for the revolutionary-democratic state has to transform many layers of pre-capitalist relations, and these transformations have to extend all the way both to the material factor of production (providing the peasantry with modern means of production), and to the human factor of production (remoulding the mentality of the communal peasant farmer and petty-commodity producer). All of these are exceptionally formidable problems.

The creation of the material and economic-organisation prerequisites for socialism is greatly hampered by the colonial type of economic backwardness. In most socialism-oriented countries, industrialisation is just being started, the working class is still small, there is an acute shortage of skilled personnel, new industrial enterprises often have to be built from the ground up, and industrial development has to be started from scratch. The material and economic-organisation prerequisites for socialism are created above all within the framework of the revolutionary-democratic sector, and also through the transformation of the state-capitalism sector.

We find, therefore, that the economic policy of the revolutionary-democratic state is designed to solve what could be called a three-fold problem: attainment of economic independence, i.e., conversion of the internal factors of the national economy into the basis of economic development; transformation of the pre-capitalist relations (solution of the problem of the material and human factor of production); and creation of the necessary material and economic-organisation prerequisites for socialism.

The economic policy of the revolutionary-democratic state proceeds from a class-differentiated attitude to the various socio-economic sectors. It conducts a policy of restriction and stringent control with respect to the foreign capitalist-enterprise sector and the private-capitalism sector, and a policy of transformation with respect to the pre-capitalism sectors (subsistence and petty-commodity production), and also with respect to the state-capitalism sector. There is no doubt that the revolutionary-democratic sector (state industrial enterprises, state farms and producer cooperatives in agriculture) is the economic and social mainstay of the socialism-oriented state.

The Policy of Restriction and Stringent Control

The socialism-oriented state does not have at its disposal a powerful economic potential, is faced with financial difficulties, and is short of skilled personnel and especially of practical experience which is gained in the course of revolutionary transformations—and this is especially true of its initial stages. In these difficult conditions, the revolutionary-democratic state has

an especial need of a scientifically-grounded socio-economic programme for concrete measures with respect to each of the sectors existing in the national economy.

For a number of objective reasons (mentioned above), foreign capital still maintains substantial positions in the national economy of many socialism-oriented countries, and its efficient use for national-economic development largely depends on the balance of forces between it and the revolutionary-democratic sector, and on the capacity of the state to take over the commanding heights in the economy. In other words, the use of foreign capitalist companies' investments, financial resources, new technology, skilled personnel and know-how fundamentally depends on who is the true master of the national economy—the foreign companies or the revolutionary-democratic state.

The revolutionary-democratic state must exercise the most stringent control of the operations by foreign capital, with foreign investments being effected only if they fit into the plans for national-economic development. Everyone knows that foreign capital does not come from a philanthropic society, and when capitalist companies invest their money in the economy of socialism-oriented countries they expect to get a profit—and a sizable one. In the period in which the national economy of the socialism-oriented countries takes shape, they have consciously to make considerable sacrifices so that it makes economic sense for foreign capital to invest.

However, the demands made on foreign capital by the revolutionary-democratic state are logical and entirely justified:

- scrupulous observance of national legislation;

- payment of taxes to the state;

- reinvestment of a fixed portion of the profit in the national economy;

- maximum use of the country's internal resources (manpower, building materials, means of transport, products of national enterprises, etc.);

- participation in training national technical personnel and skilled labour-power.

Control over foreign-capital operations is exercised not only through state institutions like the state inspection and the financial system. Working people's political and trade-union organisations are also an effective instrument of control. Various

forms of workers' control have also been set up in many socialism-oriented countries.

The use of foreign loans and credits from the capitalist powers and their monopolies also produces a package of problems in the socialism-oriented countries. In themselves, foreign loans pose no danger, and the experience gained in the newly-liberated countries shows that these loans and credits can be successfully used for national development. However, they should not have any political strings attached by foreign capital and there should be no interference in the domestic affairs of the sovereign states.

The same experience suggests that there is a definite "critical ceiling" for the volume of foreign loans and credits that a country can use, for beyond it financial indebtedness is sharply increased and this always leads to greater political pressure from foreign capital and the imperialist powers.

What happens to the foreign capitalist-enterprise sector ultimately depends on the attainment of economic independence by the socialism-oriented countries: as—above all—the state sector is shaped and developed, foreign capital is bound to lose its positions in the national economy; some foreign enterprises will become a part of the state-capitalism sector, while others—following thoroughly prepared nationalisation—could be integrated in the state sector of the national economy. That does not signify a rupture of all ties with foreign capital by the revolutionary-democratic state, for its economic policy is mostly aimed to liquidate foreign capitalist property in the national economy, while economic ties with foreign capital can be successfully developed on the basis of mutually advantageous and equitable relations within the framework of international co-operation.

The state policy of restricting and controlling the private-capitalism sector and the local bourgeoisie's entrepreneurial activity in the socialism-oriented countries also has its own concrete forms.

The revolutionary-democratic state exercises its regulating influence on that sector along several lines: it circumscribes the sphere of the local bourgeoisie's entrepreneurial activity, and it is kept out of the key branches of the economy; at the same time, private capital can be used, in accordance with existing

legislation, in the sphere of retail trade, agriculture, small-scale industry, building, transport, the services, etc. In other words, under the socialist orientation, the private-capitalism sector is entitled to exist, while playing an ancillary and subordinate role in the national economy with respect to the state sector.

As a rule, the socialism-oriented state deliberately allows the private-capitalism sector to remain in the national economy and to develop within set limits, and that for various objective reasons, mainly owing to the young state's own limited economic and financial resources, because the fledgling state cannot all at once shoulder the whole burden of economic development in all the sectors of the national economy. The existence of a private-capitalism sector under the socialist orientation does, of course, produce some contradictions. What is more, the haphazard and uncontrolled development of private-capitalism enterprise could cast doubt on the socialist alternative of the revolutionary-democratic state, which is why one of the central tasks of state policy is effective control over the development of the private-capitalism sector.

It is a sector to which the revolutionary-democratic state cannot extend the principles of direct and mandatory planning, and so it exerts its influence above all by regulating the relations of distribution, exchange and consumption within the framework of the private-capitalism sector. This system of regulation includes the following measures:

- a fiscal policy and stringent control over its scrupulous implementation;

- a price policy, price controls and a resolute drive against speculation;

- a policy of issuing licences for the purchase of technical equipment and materials at fixed prices thoroughly worked out for the private-capitalism sector;

 - scrupulous observance of the foreign-trade monopoly;

 - a ban on foreign-exchange remittances abroad.

State policy of subordinating the private-capitalism sector to the class interests of the socialism-oriented state also envisages measures like:

- state contracts with private entrepreneurs for the building of various facilities financed by the state;

- establishment of state-private companies;

appointment of former private entrepreneurs taking a loyal attitude to the revolutionary-democratic regime to posts at nationalised enterprises and payment of remuneration to them more or less in accordance with their erstwhile incomes.

Consequently, the state policy of restricting and controlling the private-capitalism sector has the strategic objective of transforming a sizable part of that sector—if not the whole of it—into state capitalism, thereby to some extent eliminating the contradiction between the private-capitalism sector and the socialist orientation.

State capitalism is, of course, not everlasting, but its formation and development in the revolutionary-democratic state taking the socialist orientation is an unquestionable achievement, for the state uses the state-capitalism sector as an important instrument for creating the material and economic-organisation prerequisites for socialism. One should also take into account that the main issue of the multisectoral economy—who beats whom (capitalism or socialism)—is finally settled not under the socialist orientation, but in the course of actual socialist construction, i.e., when the revolutionary-democratic revolution has already developed into a socialist revolution.

The Policy of Transforming the Pre-Capitalism Sectors

The revolutionary-democratic state conducts a policy of transforming the pre-capitalism sectors (subsistence economy and petty-commodity production) and it has to put through a number of democratic reforms aimed to prepare the necessary conditions for the future socialist transformations of these sectors. Among the problems the socialism-oriented state seeks to solve are an end to the domination of the feudal elements and the tribal chiefs and elders and of forms of exploitation like usury and share-cropping, a development of commodity-money relations, the spread of modern economic-management methods, and provision of farm implements and seed-stock to the peasants.

Consolidation of the alliance of the working class and the peasantry is the central task of state policy in general, and of economic policy in particular, with respect to the pre-capitalism

sectors. The toiling peasantry, which is still the most numerous class, is involved in the subsistence economy and petty-commodity production, and therefore the revolutionary-democratic policy should be conducted so as to make the toiling peasants feel an actual improvement in their living and working conditions, as the basis for their active stand in defence of the socialism-oriented state.

Under these conditions, the peasants are exempted from various levies and payments and from the diverse forms of forced labour which they were frequently compelled to perform under the pretext of long-standing custom and tradition. Large peasant debts to feudal lords and tribal chiefs have been legislatively written off in many countries.

The peasants feel the actual results of the socialism-oriented state's policy in the process of democratic agrarian reform, which is carried out under the slogan: "Land to Those Who Till It!" This creates the condition for the peasants' working for their own selves and so markedly improving their material standards.

Wherever the necessary conditions exist, a start is made on the peasants' voluntary involvement in various forms of the cooperative movement.

However, the experience already gained in the socialism-oriented countries shows that undue haste in cooperating agriculture could produce negative results. One should bear in mind that the peasants have a very low level of requirements, and their incentives to increasing social labour productivity are still small, so that it would be naive to assume that their involvement in cooperatives, with the continued use of primitive farm implements, could of itself result in greater output and higher labour productivity.

The task which the socialism-oriented state probably has to face at the initial stages of its activity is development of the peasants' individual requirements and economic incentives to raising their labour productivity, and this, for its part, can be done by developing commodity-money relations between town and country. The peasants exchange their farm surpluses for manufactured goods made in the towns, and the exchange of consumer goods turned out by state industry for the produce of the petty-commodity peasant farms helps to strengthen the

economic link between the working class and the peasantry.⁵⁰

Uncontrolled development of petty-commodity production and commodity-money relations can, of course, lead to a private-property rampage and a free-for-all in prices, which is why the revolutionary-democratic state has to conduct a well-considered and thoroughly applied policy in this exceptionally difficult matter. Lenin believed that "to control wholesale trade" is one of the revolutionary state's key tasks in taking over the commanding heights.⁵¹ The state also exercises a regulating influence on the petty-commodity sector through its financial and fiscal policy, its policy of price-formation, and the extension of loans and credits.

Along with the material condition, the social condition of the peasants is also improved in the socialism-oriented state, for it allocates sizable appropriations for developing the system of public education and public health; illiteracy is being eliminated, and schools, hospitals, medical-care centres, etc., have been built in some rural localities. The revolutionary-democratic state does much to overcome tribalism and caste and nationalistic survivals. Conditions are created in the socialism-oriented countries to make everyone feel that he is a full-fledged citizen of the society, regardless of social or ethnic origin.

The revolutionary-democratic sector in the national economy is certainly the material and social mainstay of the whole policy of the socialism-oriented state.

At the initial stages of the socialism-oriented state's development, this sector is still weak and is just being built up, but since its emergence it becomes the leading and most progressive sector of the national economy. Its development is ensured above all through the active support of the revolutionary-democratic power.

The economic and social policy of the socialism-oriented state gives unconditional priority to the revolutionary-democratic sector: most of the funds from the state budget go into its development, it is equipped with the latest hardware and tech-

⁵⁰ See V. I. Lenin, "Ninth All-Russia Congress of Soviets", *Collected Works*, Vol. 33, p. 158.

⁵¹ See V. I. Lenin, "The Importance of Gold Now and After the Complete Victory of Socialism", *Collected Works*, Vol. 33, p. 115.

nology to the extent that this can be done, and it also gets the best-trained national personnel who are loyal to the cause of the revolution.

The transitional nature of this sector and its tendency to grow into a socialist sector will be seen above all in the evolution of the whole system of relations in state administration, for that is where the principles of economic planning are introduced. State-plan assignments for enterprises within that sector cease to be mere recommendations and are made mandatory. The working people ever more actively take part in economic planning not only through their trade unions, but also as collectives at state enterprises discuss draft plans. The wages-and-salaries system at the state enterprises is modified, and collectives of working people engage in various forms of emulation.

The social aspect of the development of the revolutionary-democratic sector is also of primary importance, for this sector is the basis on which the working class takes shape at state enterprises and the cooperative peasantry in agriculture. These two classes—the working class and the peasantry—constitute the social underpinning for the socialism-oriented state. The development of the revolutionary-democratic sector also helps markedly to reduce unemployment and then to wipe it out altogether.

The policy of the revolutionary-democratic state is designed to bring out the working people's initiatives and to enable the town to help the countryside. There has been a wide spread in the socialism-oriented countries of mass action by the working people like "volontariat", a French word used to designate voluntary assistance by workers, students and intellectuals in building various facilities, eliminating illiteracy, and improving medical services in rural localities.

The policy of the revolutionary-democratic state is, consequently, aimed not only to improve the working people's material condition but also to rouse them to social and political activity, a policy which yields positive results. The record of the socialism-oriented states already provides numerous examples of resolute support for the revolutionary power by masses of working people. Whenever internal reactionaries rise up or the country is subjected to external aggression, the working people set up committees in defence of the revolution and take

a resolute stand, arms in hand, for their social and political gains and against internal and external counter-revolution.

6. CONJUNCTION OF SCIENTIFIC SOCIALISM AND THE REVOLUTIONARY MOVEMENT IN SOCIALISM-ORIENTED COUNTRIES

Ideology

The development of *social consciousness* in the socialism-oriented countries also has its characteristic features and uniformities.

The character of political power exerts the main influence on the evolution of social consciousness (ideology and social mentality) in the socialism-oriented countries. The ever more consistent assimilation of the theory of Marxism-Leninism is the main line of ideological evolution in the socialism-oriented countries, and one of the necessary conditions for successful advance to socialism.

The revolutionary-democratic parties in power are faced with the difficult task of carrying out a genuine revolution in the sphere of ideology and also in the everyday mentality of broad masses of working people in their countries. They have to do so under the simultaneous and contradictory influence of external factors. The moulding of the revolutionary-democratic ideology in these countries is made exceptionally difficult by the recent colonial past, the socialism-oriented countries' dependence on the world capitalist system, and the wide ideological offensive by neocolonialism. The world socialist system exerts an influence on these countries in the opposite direction, showing the former colonial peoples how a socialist society is built in practice, just as the Marxist classics predicted.

The revolutionary-democratic parties' conscious assumption of the functions to spread the ideas of scientific socialism in the midst of broad masses of the population is a characteristic feature of the conjunction of Marxism-Leninism and the revolutionary movement in the socialism-oriented countries.

The degree of ideological maturity, and the ideological situation itself in the various countries of the socialist orientation cannot, of course, be the same, for some of these countries are just starting out on the way to scientific socialism, while others

have adopted Marxism-Leninism as the ideological basis of their political parties.

The opponents of the socialist orientation claim that Marxism-Leninism is a kind of foreign body which is being artificially implanted into the resisting national fabric of the socialism-oriented countries. But that is far from true. Let us recall that the revolutionary-democratic ideology made its appearance in the Asian and African countries long before the socialism-oriented states came on the scene. Indeed, this ideology originated on its own basis as a result of the internal contradictions inherent, above all, in the colonial system of imperialism. The revolutionary democrats turned to scientific socialism—Marxism-Leninism—in protest against the imperialist oppression and as capitalism was discredited and there was growing hatred for the ugly forms of its influence on the peripheral areas of the capitalist system.

It is highly indicative that even at the early stages of its formation, revolutionary democracy adopts as its ideological weapons the Marxist ideas about the historically transient character of the capitalist mode of production, Lenin's doctrine of imperialism, and the key Marxist-Leninist tenets concerning the leading role of the party in the revolution, and the people as the maker of history. Lenin's ideas on socialist industrialisation, the transformation of agriculture and the cultural revolution have been broadly written into the programmatic documents of many revolutionary-democratic parties.

The propositions of scientific socialism on social justice, on social property in the means of production and national-economic planning are understood and cherished by those who profess the revolutionary-democratic ideology. It is much more difficult for them to accept the Marxist world view and especially the materialist philosophy. When explaining socialist ideals, some revolutionary democrats tend to underestimate the paramount role of the relations of production in social development and to absolutise the relations of distribution. This creates the danger of a spread of the ideas of "barrack-room communism", an eventuality the Marxist classics had anticipated and subjected to withering criticism.

While recognising the crucial role of the working people in shaping the new life, some revolutionary democrats have yet

to gain a scientific comprehension of the historical mission of the working class and the necessity of the dictatorship of the proletariat as the key condition for transition to socialism.

Survivals of nationalism, and the pragmatic approach to some problems in international relations now and again induce some revolutionary democrats to make a subjective appraisal of the role of the world socialist system in contemporary conditions. At the same time, within a brief historical period substantial changes have taken place in the ideology of the socialism-oriented countries: the monopoly and domination of the bourgeois and neocolonialist ideology have been liquidated, ideological platforms have been formulated for the revolutionary-democratic parties, the curricula of secondary-school and university education are being intensively rewritten, the mass media system is being organised, very much is being done to revive the values of national culture, which were consigned to oblivion in the period of colonialism, and a revolutionary intelligentsia is being intensively moulded.

Social Psychology

Let us bear in mind that ideology is only a part of the social consciousness, the other being social psychology, or the everyday mentality.

As the new social consciousness is shaped in the socialism-oriented countries, contradictions tend to arise between the revolutionary democracy's advanced ideology and the relatively backward, conservative and very stable psychology of a sizable part of the population. From generation to generation it was forced and cajoled into unquestioning obedience to the local elite and colonial officials, submission to long-established traditions, and resignation to the vicissitudes of fate. The peasants' mental sluggishness has resulted from the relative isolation of rural farms, the slow development of agricultural production in the colonial period, the illiteracy and total lack of rights, and the low level of requirements. In the period of colonial oppression, the traditional psychology of broad masses of people displayed its remarkable capacity to resist and reject many of the value-judgements of the bourgeois civilisation. Thus, it refused to accept bourgeois individualism and rationalism and

the urge for personal gain. The masses managed to preserve the national culture and uniqueness of their civilisation. Yet, under the impact of the bourgeois ideology, some strata of the population began fairly rapidly to adopt some aspects of the bourgeois mode of consumption.

There has also been a very incomplete and slow acceptance of socialist ideas by the everyday mentality. Thus, the ideas of social justice and equality, the principles of mutual assistance and solidarity, labour as the main source of national wealth, and similar ideas have been more readily accepted, while it has proved to be much more difficult to spread in the traditional environment a conscious attitude to work and conscious labour discipline, a sense of personal responsibility for public affairs, and rejection of tribalist and ethnic prejudice.

The revolutionary-democratic parties have succeeded in carrying with them the bulk of the people, and the traditional psychology has not prevented the masses from becoming the chief makers of the national-liberation revolutions. They have taken an active part in shaping the socialism-oriented state, because they were persuaded of the advantages of opting for this way of socio-economic development. Revolutionary democracy is now faced with an equally difficult task: to involve the masses in effecting the ideas and principles which have been proclaimed as the main objectives of the socialist orientation.

While the social consciousness may appear to be an extra-economic factor, its level does have a direct effect on the country's socio-economic development, which is why it is one of the most crucial factors in the elaboration of the state's scientifically-grounded economic policy.

The revolutionary-democratic parties take an implacable stand against the manifestations of any form of revisionism, opportunism and dogmatism. The low level of development of the productive forces and of the everyday mentality in the socialism-oriented countries provides a fairly favourable medium for the incubation of the old disorder of "leftism" in the revolutionary movement, as some most "impatient" revolutionaries incline to voluntarist decisions and administration by fiat in the economic sphere. Ideological "leftism", an overestimation of the potential influence of the advanced political superstructure on a backward economic basis and an urge to leap over some of the

necessary socio-economic stages of development could all result in the grossest errors in the sphere of social practice.

There are already any number of examples of "leftism" in economic policy to be found in the record of the international revolutionary movement. In some countries, for instance, producer cooperatives have been set up at a forced pace and rash announcements of the "victory of socialism" in the countryside have been made, although no systematic political or educational work was carried on among the peasants and their mentality was ignored. Everyone also heard about the policy of "leaps" and its results in the industrial development of some countries. Finally, the claim that some progressive measures in the economic sphere are just short of being consummate forms of socialism, although they are no more than democratic, is another expression of "leftism" in economic policy.

However, the truly revolutionary policy is determined by the extent to which it meets the working people's class interests rather than by ultra-revolutionary rhetoric or an abundance of catchwords, like "revolution" and "socialism". Any revolutionary party must, of course, refrain both from lagging behind the most backward section of the working masses, and from running too far ahead of the bulk of the working people. When a political party runs too far ahead of the masses it first generates doubts among them about the correctness of its line, and then makes them politically passive.

The premature "proclamation of socialism" helps to bolster the political and ideological positions of the opponents of the socialist orientation, who try to use in their anti-socialist campaigns the inevitable difficulties that the socialism-oriented countries have to face on their way. The counter-revolutionaries declare: "If that is socialism, you can have it!" The truth is that most of these difficulties do not spring from the fact that socialism has already been built in the socialism-oriented state, but emerge in the process of shaping the prerequisites for building socialism.

7. THE SOCIALISM-ORIENTED COUNTRIES' ADVANCE

The socialism-oriented state has resulted from the development of a new type of political and social revolution, which

could have originated only in the new historical conditions, in the epoch of transition from capitalism to socialism.

This new type of political revolution differs substantially both from the bourgeois-democratic revolution, and from the socialist revolution in many factors: leadership of the revolution, motive forces and social mainstay, place in the world-wide revolutionary process, and forms of connection with the international working-class and communist movement and with the working class of the socialist countries. Every aspect of the evolution of the socialism-oriented state is a reflection of the growth of the democratic revolution into a socialist revolution.

The socialist orientation is a new historical form of transition to socialism, and under it the question is not whether or not to go on to socialism, but *how* to go on to it. When examining this question, one should note the following qualitative peculiarities of the socialism-oriented states.

The advance to socialism by the peoples of the former colonies and dependent countries with a backward economy appears to run through two main periods: 1) the pre-transition period, i.e., the period of the socialist orientation proper, and 2) the transition period, i.e., the period of actual socialist construction.

The Initial Stage

The socialist orientation has its stages, each with the following characteristic features:

The first (initial) stage of the socialism-oriented states' activity begins with the establishment of the revolutionary-democratic power, and one of the most difficult problems in *the political sphere* is to retain the power and to form and consolidate the revolutionary-democratic party. In a sense, the main issue of the revolution—political power—is not finally settled at the first stage of the socialist orientation.

Lenin drew attention to the exceptional role of the political parties' leadership and its class make-up in the formation of the revolutionary party, especially at the first stage of the revolution.⁵² At the initial stage of the socialist orientation, the revolutionary-democratic party's leadership is still far from

⁵² See V. I. Lenin, "The Conditions for Admitting New Members to the Party", *Collected Works*, Vol. 33, p. 256.

being homogeneous, with revolutionary democrats and Marxists-Leninists working side by side. But the leadership could also include men gravitating politically and ideologically more to petty-bourgeois nationalism than to Marxism-Leninism. Finally, some revolutionaries may profess a blend of all these different politico-ideological trends.

The different balance of forces and influences of these trends within the party leadership naturally has a significant impact on the political evolution of the socialism-oriented state.

It is not right to consider the development of any revolution only from the angle of the political evolution of the revolutionary party's leadership. A genuine revolution involves the broadest strata of the working people, on whose active participation and support the revolution's successful advance depends. Otherwise, the boldest and most revolutionary actions by the party leadership tend to degenerate into an elitist coup which does not, as a rule, result in essential political changes in the society.

The political revolution in general and that in the socialism-oriented countries in particular tend to develop as interaction between the political leadership "from above" and active support by broad masses of people "from below".

Among the problems which become of primary importance at the first stage in the activity of the socialism-oriented state are: formation of the political vanguard and the mass party of the revolution; substitution of a new state apparatus in accord with the character of the revolutionary-democratic power for the old colonial state machine; and formation and strengthening of national armed forces capable of defending the revolution.

The political party not only proclaims its leading role in the revolutionary process, but also has to demonstrate in fact its capacity to guide mass organisations of working people like the trade unions, youth leagues, student unions, the cooperative movement, and so on. Efforts to ensure the political party's influence in the army is of especial importance in the socialism-oriented countries.

Consequently, the first stage in the activity of the socialism-oriented state already produces a host of difficult political problems on whose solution the main issue in the political revolution depends: the retention and strengthening of the revolutionary-democratic power. Wherever the solution of these prob-

lems is overly dragged out and wherever effective methods and concrete forms for blending the revolution "from above" with the revolution "from below" have not been found, the socialism-oriented state begins to mark time, and the counter-revolutionaries are usually quick to capitalise on that. In such conditions, the whole system of revolutionary-democratic power is faced with a tangible threat.

At the first stage of its development, the socialism-oriented state has to tackle a whole package of problems in *the economic sphere*, the main task here being to mobilise the internal resources above all, so as to lay the foundations for independent economic development. The contradiction between the revolutionary-democratic sector and the foreign capitalist-enterprise sector is the main contradiction of the multisectoral economy.

The development of agriculture is central to economic policy; democratic land reforms are carried through and peasant co-operatives, mainly of the lower type, are set up; the development of agricultural production creates more favourable conditions for solving the problems of accumulation, thereby helping to shape the necessary prerequisites for the first stride in industrialisation.

In *the social sphere*, democratic constitutions are adopted at the first stage in the activity of the socialism-oriented states to assert in legislation the working people's rights to work, to labour protection, to free education and health care, and to social security. Enhancing the role of the working class in every sphere of social life and involving the working people in the management of production are among the key tasks.

In *the sphere of ideology*, the main task faced by the socialism-oriented state at the initial stage of its activity is to make the revolutionary-democratic ideology the prevailing one. The first stage also marks the start of the cultural revolution and the solution of the formidable problem of eliminating illiteracy. A democratic reform of the entire system of education, from primary school to the training of national personnel, is simultaneously carried through.

The fulfilment of all these tasks (political, economic, social and ideological) signifies the laying of the foundations of the socialism-oriented state and the possibility of its development at a new and higher level.

The Closing Stage

The second (closing) stage in the activity of the socialism-oriented state could be defined as its entry upon the way of socialist construction. In every sphere of social life at this stage, a consolidation of the successes achieved at the initial stage takes place along with a further development of the socialism-oriented state.

In *the political sphere*, the question of political power has by then been settled in the main. The entire revolutionary process is being guided by a political party with what is now a more homogeneous leadership expressing the class interests of the working class and the peasantry. The revolutionary-democratic party itself has been formed at the level of the central governing bodies, and, moreover, has an extensive system of grass-roots organisations in every crucial sphere of the country's social life. It exercises its vanguard role and carries with it broad masses of the working people. That being so, the growth of the vanguard revolutionary-democratic party into a new type of Marxist-Leninist party becomes the main problem.

Among the characteristic features of the new type of party are that it is guided by the Marxist-Leninist doctrine and works to develop it creatively, so ensuring an organic blend of revolutionary theory and revolutionary practice; it is the collective political leader of the working class, the highest form of its organisation, and the vanguard of all the working people; it has the closest ties with the masses, the source of its inexhaustible strength; its activity is based on democratic centralism, and it works tirelessly to strengthen the ideological and organisational unity of its ranks, and to raise the conscious discipline and activity of party members; it takes an irreconcilable attitude to any form of factionalism or clique formation, and any manifestation of revisionism, opportunism and dogmatism; it makes a critical analysis of the results of its revolutionary-transformative activity and of its policy, constantly studying, assessing and using the experience of the international communist movement; it works consistently to practise the principles of proletarian internationalism.

The shaping of the new type of party obviously takes time. The creation of the party of socialist revolution is the main task

of the second stage in the activity of the socialism-oriented state and a necessary political condition for its development into actual socialist construction.

In *the economic sphere*, there is a "shift" of the main contradiction in the multisectoral economy at the closing stage in the activity of the socialism-oriented state, as the contradiction between the revolutionary-democratic sector and the private-capitalism sector increasingly becomes the main contradiction. But even at this stage, there is still no call to liquidate private-capitalist enterprise, for there is the more important task of subordinating the entrepreneurial activity of the local bourgeoisie to state economic policy within the framework of state capitalism. One has to bear in mind that the revolutionary-democratic sector has by then grown up and markedly gained in strength both in town and country and that the revolutionary-democratic state has taken hold of the commanding heights in the national economy.

That is largely made possible as a result of the emergence in agriculture of the prerequisites for going over from the lower forms of cooperation to the higher form of producer cooperation on a much broader scale. The mass cooperation of the peasants also differs in that, at the second stage in the activity of the socialism-oriented state, the actual results of the industrialisation that has been started are beginning to tell: the urban working class is capable of giving effective assistance to the cooperative peasants, because the state can supply them with agricultural machinery and equipment and allocate some financial resources. At this stage of the socialism-oriented state's activity there is, on the whole, a process in which the shaping of the basic economic prerequisites of socialism is completed.

In *the social sphere*, substantial changes also take place at the second stage in the activity of the socialism-oriented state. In the process of the incipient industrialisation, the working class substantially grows in size and is finally established as a class clearly aware of its objectives and interests and capable of playing the leading role in every sphere of social life. There is a substantial change both in the character and role of the working class and of the peasantry, and so also of the content and form of their alliance, which is now an alliance between a working class the bulk of which is concentrated at modern

state enterprises, and a peasantry a sizable part of which is associated in producer cooperatives.

In *the sphere of ideology*, the revolutionary-democratic ideology evolves into Marxism-Leninism. By then, the cultural revolution is already leading to the elimination of illiteracy, and the problem of training national cadres loyal to the cause of the revolution has in the main been solved.

For all practical purposes, the completion of the second stage in the activity of the socialism-oriented state marks the end of the pre-transition period and the start of the period of the actual transition to socialism. In other words, the socialism-oriented state evolves into a state directly engaged in socialist construction in accordance with the basic uniformities of the period of transition to socialism.

The completion of the transition period marks the laying of the foundations of socialism, i.e., the fulfilment of the main and crucial task which the socialism-oriented state set itself at its origination.

The Effectiveness of the Socialist Orientation

The socialism-oriented state is a relatively new historical phenomenon, and it has, quite naturally, aroused much interest among researchers in various countries of the world. Perhaps the largest number of publications on this problem has recently appeared in the Soviet Union.⁵³

But there is an even wider polemic in the developing countries themselves, primarily in the socialism-oriented countries, with the arguments being carried on not only in publications, public lectures, and speeches, but also in unofficial discussions and conversations.

It is quite natural to find some who seem to take an objective

⁵³ See A. V. Kiva, *The Socialism-Oriented Countries. Main Development Trends*, Nauka Publishers, Moscow, 1978; G. B. Starushenko, *The Socialist Orientation in the Developing Countries*, Politizdat, Moscow, 1977; O. V. Martyshin, *African Revolutionary Democracy*, Goslitizdat, Moscow, 1981; *The Newly-Liberated Countries' Socialist Orientation*, Mysl Publishers, Moscow, 1982 (all in Russian); R. A. Ulyanovsky, *Present-Day Problems in Asia and Africa*, Progress Publishers, Moscow, 1981.

attitude in talking about the inefficiency of the economy of the socialism-oriented countries in the light of "purely economic" considerations, thereby casting doubt on the socialist option which the peoples of these countries have made. Among the wide range of arguments presented by the opponents of the socialist orientation, these are the most common ones: the economic growth rates in the socialism-oriented states are not higher than they are in other newly-liberated countries; and many enterprises in the state sector are loss-making. The "indictment" also includes such counts as: poverty, unemployment and inflation have not yet been liquidated; corrupt officials and bureaucrats will be found in the state apparatus, etc.

One could continue this list of "charges" against the socialism-oriented states, but they are in fact the difficulties and problems that have to be faced in shaping the new life. Indeed, no secret is made of them by sincere supporters of the socialist orientation, who discuss them in public. The problems are there, of course, and they have to be solved, but for the opponents of the socialist orientation the discussions of such problems do not amount to an effort to improve the state of affairs in the country, but to exploit it in their anti-socialist campaign and for spreading doubts about the effectiveness of the activity of the socialism-oriented state.

So, the discussions of the problems are also a reflection of the acute political and ideological struggle which has always attended the revolutionary transformation of the old society. In other words, the discussion of the socialist orientation has a manifest class character. Far from everyone in the socialism-oriented countries is, of course, satisfied with the option. But how can former feudal lords and members of the tribal elite be satisfied with it, when its reforms have cost them their lands and social privileges? Nor is there much enthusiasm over the socialist orientation among many members of the local bourgeoisie, especially those of them who engage in speculative commercial operations, shady real-estate deals, the leasing of numerous villas, etc. The situation is downright paradoxical. They have nothing to complain about when it comes to personal enrichment. Making use of the fact that state financial control is just in the process of being shaped, while the state sector in the economy itself is still weak and lacks experience, many of the

nouveaux riches are sometimes able to get rich even faster than they can in the countries of the opposite socio-political orientation. Nevertheless, they are dissatisfied. They are dissatisfied above all with the falling prestige of the rich man who manipulates large amounts of money (made by less than honest means). They are dissatisfied because they have been removed from political power, and because they increasingly feel growing control from the political party and the socialism-oriented state.

The socialist orientation is also under attack by a section of some fairly senior state officials and groups of intellectuals. They have, as a rule, graduated from Western universities and have adopted many aspects of the bourgeois way of life. No wonder they frequently complain about cutbacks in imports from the West or about the dwindling number of night-clubs and cabarets. They are most often so-called "technocrats", and their maxim is: "We do not deal in politics." In actual fact, they actively oppose the new methods of economic administration and management, which are being introduced in the socialism-oriented countries. Incidentally, they can have no knowledge of these methods, and that is hardly surprising, because they have, quite naturally, not studied them at Western universities. That is where one will most frequently hear talk of the "economic inefficiency" of the socialist orientation. Such technocrats who "do not deal in politics" actually conduct a very definite political line aimed to discredit not only the state-sponsored economic measures, but also the socialist orientation as such.

So, the class nature of most of those who are dissatisfied with the socialist orientation is perfectly transparent, and they have no claim at all to represent the interests of the working masses—the working class and the peasantry, the overwhelming majority of the nation.

But the fact is that the substance of the socialist orientation is precisely connected with the interests of the working man above all. It is in the class interests of the workers and peasants that the important measures designed to improve their working and living conditions are taken, such as increasing the number of jobs, raising the level of wages, improving the living conditions, providing social security, allotting land to the peasants, extending state assistance to the cooperatives, controlling the prices of the prime essentials, etc.

Indeed, the bulk of the population is more concerned with the socialism-oriented state's policy in these matters than it is with the imported luxuries on display at the neon-lit shops, the generous menu in the fashionable hotels, etc.

The charges addressed to the socialism-oriented countries concerning unemployment, inflation, and low living standards miss their mark as well. None of these problems was, after all, produced by the socialist option: they all spring from the hard legacy of the colonial past and the inequitable position the socialism-oriented countries still have within the world capitalist economy. Economic crises, inflation, unemployment and other defects which are endemic to capitalism filter through to the developing countries, including the socialism-oriented ones, via the system of international economic relations.

Against that general background, the actual achievements of the socialism-oriented countries in raising the material well-being of the working people—the bulk of the nation—are all the more impressive.

But the problems of the socialist orientation and its effectiveness should not be reduced to material and economic factors. Let us bear in mind that the substance of socialism, towards which these countries are oriented, is much broader and deeper. In determining the effectiveness of the socialist orientation, there is a need to proceed from the fact that the "human factor" is the main criterion: the point is the extent to which the socialist orientation is capable of creating the necessary conditions for giving the working man his dignity and allowing him to develop as a personality. Here again there should be no reduction to money or some other material form, as it would be unjustified to regard living standards only in comparison with the bourgeois model of consumption in the developed capitalist countries. Incidentally, the revolutionary democracy taking the socialist orientation never promised that every worker or peasant was to have a landscaped villa, a white Mercedes or a luxury yacht.

A very important and fundamental question in any discussion of the socialist orientation is an effort to establish quite clearly what it did and what it did not proclaim, and how it is honouring its "promises".

Attainment of genuine national independence from imperialism is stated as the immediate goal in all the political program-

mes of the socialist orientation, and that is quite logical, because orientation towards socialism implies economic independence. And it is on this key problem that the socialism-oriented countries have achieved real results which their foes cannot deny. They have curbed the activity of foreign capital to a greater extent than have other developing countries. The state sector in their economy is developing at a faster pace and on a broader scale. But it is not right to assess the efficiency of that sector only on the strength of the costs and prices of its products. The social profitability of the state sector is perfectly obvious: it has markedly helped to reduce the economic dependence on imperialism.

It is no accident at all that the bulk of the developing countries' vast indebtedness (something like \$800 billion at the beginning of 1984) is owed precisely by those who have intensively developed capitalist relations: Mexico, Chile, Argentina, Egypt, Zaire and Kenya, among others.

Nor is it right to gloss over the fact that the socialism-oriented countries virtually no longer have any of those numerous foreign advisers and international experts who still play such an important role in the ministries and governmental agencies of many developing countries.

The problems of the socialist orientation are also manifested in the moral and ethical climate which is characteristic of these countries, where one increasingly hears the word "comrade" used to address both compatriots and foreigners, and will rarely see anyone kowtowing to a white man or hear the self-effacing: "Yes, Sir, Mr. Whiteman, Sir" and other things of that kind. That, we believe, is also an important change in the "human factor".

Finally, one could also ask the following question: which group of countries (the socialism-oriented or the capitalism-oriented) has more drug-addiction, gangsterism, prostitution, and so on? All one has to do to find out the difference is to compare the state of affairs even in neighbouring countries like Tanzania and Kenya; the Congo (Brazzaville) and Zaire; and Benin and Nigeria.

The socialism-oriented countries' social policy, which is designed for the utmost development of the "human factor" that is possible in their conditions is even more important strategi-

cally. This means above all free education, free health care, and the development of sport and national culture. Along all these lines, the socialism-oriented countries have done much more, as compared with the other part of the developing world. An end to the unequal status of women is one of the most important social problems in the developing countries, and in the socialism-oriented countries the solution of the problem has been markedly advanced: equal pay for equal work has been written into their constitutions, and women are taking an ever more active part in social life.

The working people's participation in the management of production is undoubtedly one of the key criteria of the effectiveness of the socialist orientation, under which the working man begins increasingly to feel himself to be the true master of his country. Could organisational forms of the working people's participation in every sphere of social life, like emulation among work collectives, commitments to fulfil and overfulfil plans, committees in defence of the revolution, and voluntary participation by students, schoolchildren, doctors, teachers and workers in providing the most diverse assistance to the countryside, have emerged in other developing countries with different social conditions?

The formation of the progressive regimes has, of course, proceeded in complicated internal and international conditions. Algeria won political independence after a hard, devastating and protracted struggle against the French colonialists. The socialism-oriented countries are under relentless pressure from imperialism and its agents. The South African racists' aggression against Mozambique and Angola is still on. Groundless territorial claims are being made on Ethiopia. An undeclared war is being fought against the people of Afghanistan. How many times have the progressive regimes had to beat back attacks by the mercenaries of imperialism? Bands of mercenaries have been crushed in the Democratic Republic of Guinea, in the People's Republic of the Congo, in the People's Republic of Benin, in the Republic of the Seychelles, and other countries. But however hard imperialism may try to attack the socialism-oriented countries, it cannot halt the forward march of history. The socialism-oriented countries keep advancing as they overcome one difficulty after another. Their strength lies in the support

of broad masses of working people and of the progressive forces of the whole world.

The socialism-oriented countries have a growing authority in the international arena as well. In the developing world, they are in the van of the struggle against imperialism, and for social progress, for peace and friendship among the nations. Consequently, if one goes beyond the short view of the effectiveness of the socialist orientation and takes the long and broad view of it, one has to include the international authority of the countries which have opted for socialism as the main objective of their socio-economic development.

Finally, perhaps the most important criterion of the effectiveness of the socialist orientation consists in the acceleration of these countries' entire social development. After all, the material, economic and organisational prerequisites for socialism in the future are being created in these countries not spontaneously, but through purposeful effort by the whole political superstructure and with the creative activity of the bulk of the working people, thereby markedly accelerating the whole of social development towards socialism.

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Yuri Popov

Essays in Political Economy

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Yuri Popov gives the first ever full-scale conception of the socialist orientation, whose problems he considers not only in terms of political economy, but also of political, ideological and other social relations. He scrutinises the socialist orientation from the standpoint of the general uniformities of transition to socialism and of its specific features.

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