REVIEW ARTICLE

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The contradictions of Soviet industrialisation

Donald Filtzer
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● Don Filtzer's book is a welcome addition to the growing body of literature dealing with the Soviet working class. It is even more welcome for the fact that its perspective is explicitly taken from Marxian political economy and as such it provides a desirable break from the traditional work in this area dominated either by the writings of Cold War warriors or latter-day Stalinist apologists in their many guises.[1] The former have sought to expose the harsh conditions and political impotence of the working class in Eastern Europe without utilising a similarly critical perspective in their analysis of capitalism, their aim being simply to reinforce anti-socialism. The latter have adopted a diametrically opposed position and have suspended all critical faculties by minimising the difficulties faced by the working class in Eastern Europe in order to give credence to their own domestic political analysis and prognosis. Furthermore, they have mimicked their East European mentors by reducing Marxian political economy to a turgid and uncritical cant. The net effect of both types of approach has been to undermine the possibility of creating a critical analysis of Eastern Europe which nevertheless retains Marxism as its starting point and socialism as its goal.

In recent years, however, the beginnings of such a literature has begun to emerge and Don Filtzer's book is part of that process. Theoretically, although he does not explicitly acknowledge it, the book is based on the analysis developed by the journal *Critique* and in particular its editor, Hillel Ticktin. This is unsurprising as Filtzer was both involved in the journal from its early days and a student of Ticktin's. The originality in Filtzer's work is the identification of the historical roots of that theoretical

perspective and then its application to the historical period in question, namely 1928-1941. Filtzer's use of both official sources and the emigré literature of the period provide a vivid picture of the conditions within Soviet enterprises during the first years of the Stalinist industrialisation drive. The methodology he adopts is again most welcome as ordinary working people are placed centre stage in the historical account and his work is a useful antidote to the work of empiricist, bourgeois historians.

The main argument developed, which is derived from Ticktin,[2] is that,

> . . . Stalinist industrialisation led to a breakdown of the working class as a collective historical force (a class-for-itself) and to its eventual atomisation. In the course of this process the workforce appropriated considerable control over the individual labour process so that workers, through their behaviour at the point of production, became a major cause of the Soviet elite's imperfect control over the generation, appropriation and disposal of the surplus product. The shop-floor relations that thus emerged were neither capitalist nor socialist in character, but specific to a historically unique and perpetually crisis-ridden system of production.[3]

As Filtzer adopts the view that control over the surplus must be the starting point of historical analysis, it means that even when he is dealing with familiar ground, for example the introductory chapter on the transition from War Communism to NEP, his approach yields more insights than the standard Western accounts. Filtzer rejects the naive view that War Communism was a precursor for socialism and identifies the NEP as 'a strategic retreat'. He argues that whilst the isolation of the Soviet revolution and the problems that developed under War Communism explain the retreat to the market this was in itself an unstable form of socio-economic organisation. Unlike contemporary commentators, both Western academics and some Soviet dissidents, who either argue that the continuation of NEP was possible at that time, or that its resurrection is desirable at the present, Filtzer identifies its internal contradictions.

New Economic Policy

Specifically the introduction of NEP meant that the last vestiges of workers' control, that had survived the civil war, disappeared and the principle of *edinonachile* (one-man management) became the main form of economic organisation within Soviet industrial enterprises. The Soviet elite, then confronted with the need to accumulate in order to stimulate industrial recovery, attempted to increase the surplus product extracted from the Soviet working

class. This was reflected in the introduction of piece-rate working, time and motion studies to refine the pace of work and the rate of exploitation, and control over the workforce via increasing insecurity through the dual forms of unemployment and temporary work contracts. As Filtzer notes, the use of these capitalistic techniques took place within a political framework which had removed the workforce's possibilities for either collective industrial action, given the contradictory role of the trade unions, or for any independent political response. The overall effect during the period was firstly to distance the Bolsheviks from their original working-class base; secondly, to sap the will for collective action within the working class; and finally, as a consequence, to begin to establish a form of individualised response and relationship to the regime.

The industrial and economic debates of the period were, of course, inextricably linked with the political manoeuvrings within the Bolshevik Party, but economic crisis, specifically the 'goods famine' and the consequent reduction in agricultural output, presented an acute problem for the regime by 1928. The choice for the Stalinist bureaucracy was particularly stark.

> The economy was caught in a vicious circle. Accumulation within industry required accumulation within peasant agriculture and an eventual revolution in agricultural technique; but this in turn required a prior accumulation in industry, which alone could provide the means of production necessary for such a transformation.[4]

To capitulate to the peasantry, as Bukharin suggested, would eventually mean the full reintroduction of market relations and the subordination of the USSR to the world market. Furthermore, the reintroduction of the market would undermine the basis of the bureaucracy's power, their control of state property. The possible alternative, a return to more democratic forms of workers' control, would equally undermine the bureaucracy's control. To quote Filtzer,

> . . . collectivisation and forced industrial development became parts of a concerted attack by the emerging Stalinist elite on Soviet society, a policy of consolidating its social base through centralised control over the industrial and political apparatus.[5]

Five-Year Plans

This, however, could only be achieved at a tremendous cost. Through a multiplicity of specific examples Filtzer provides graphic illustration of the chaos that the first five-year plan engendered. Even if plans were fulfilled in an abstract global sense this usually hid internal disproportions. This in turn created

an environment of continual bottlenecks and shortages.[6] These disproportions led to continual plan revision and instability, particularly when coupled with the imposition of political priorities which often contradicted the original intention of the plan. The lack of necessary inputs, the lack of transportation and often the lack of plans themselves are all well documented. As too are the immediate results, the utilisation of poor quality inputs with their consequent effect on the quality, reliability and even usability of the finished product leading to a particularly wasteful form of growth. Given the underlying features of Stalinist planning that Filtzer identifies, it is not surprising that critics of the Stalinist industrialisation drive referred to the system as one of *besplannovost*, or 'planlessness'. It provides a stark contrast with the triumphalism of contemporary official commentators and their Western epigones. It is perhaps tempting for apologists to suggest that much of the chaos was simply a function of the unknown processes being introduced to control the Soviet economy. This argument can only be persuasive if it could be shown that these were indeed temporary phenomena. If, however, they are continually reproduced up until the present, this would suggest that the problems are systemic rather than simply conjunctural. This will be returned to below.

Whilst the examples of 'planlessness' are interesting, the most important point to draw from Filtzer's analysis is the creation of an underlying series of attitudes and conventions with regard to the so-called planning process. Bottlenecks, shortages and seeming continual crisis were built-in to the system from the very start, together with actions on the part of management that contradicted the intentions of the centre and eventually reproduced the same phenomena. This particularly relates to their response to endemic shortages which led them to both underestimate the productive capacity of their enterprise and simultaneously overestimate their needs for inputs. In this way they would at least have a chance of fulfilling their enterprise plan, the key to managerial success.

The most important aspect of this process was the creation of a labour shortage which was a necessary result of the chaotic, unplanned dash for industrialisation. As Filtzer points out, by the early 1930s the urban reserve army of the unemployed was almost exhausted and it was only the forced collectivisation of agriculture that freed literally millions of peasants for work in industry and construction. But how was the regime to impose industrial discipline and exert control over this process, in order to generate the surplus necessary for accumulation and further growth?

Filtzer argues, very cogently, that this process was racked

by a series of internal contradictions and inconsistencies. For example, the labour shortage and the consequent ending of employment meant that the labour force were no longer controlled by the insecurities that had developed in the period of NEP. Likewise, even though enterprise management had a significant role in the process of surplus extraction their position was ambiguous.

> The labour shortage set in motion a spiralling deterioration of the situation. As shortages developed, managers began to hoard labour and recruit more workers than the plan allowed . . . Labour turnover skyrocketed and with it the insecurity of factory managers over their ability to hold on to workers.[7]

As enterprise management could not possibly fulfill their increasing plan targets without workers, the labour shortage began to fundamentally structure the whole panoply of relations between the workers and enterprise managers.

> A worker who worked badly, came late, took arbitrary days off, and was undisciplined was better than no worker at all . . . More generally, the labour shortage forced managers to accord to the individual worker a substantial degree of control over the work process.[8]

So a pattern of complicity between workers and enterprise managers became established in this period, but simultaneously the regime pressed further for increased production and productivity. Central to this objective were the campaigns for 'socialist competition' and 'shock work'. The aim of these campaigns was to speed up the rate of production. This was achieved by a group of workers or a whole enterprise agreeing to contract to achieve particular improvements in an indicator (usually output) and receiving in return incentives in the form of enhanced earnings or access to scarce commodities. Needless to say, the achievements of shock work and the rates achieved were later used as the basis for the setting of ordinary rates of production. Introduced at the same time was the system of continuous production, whereby plant and equipment could be utilised on a virtually perpetual basis. The impact of this was that wear and tear, as a result of inadequate and often non-existent repair and maintenance, caused more problems. Coupled with shock work, which was unlikely by its very nature to encourage good utilisation of fixed capacity, the net effect was further declines in quality and irrational results. Shock work was a response to the 'planless' nature of the Soviet economy but its results simply reinforced the 'planlessness'! Rational calculation, coordination of production, phasing of in-

puts all became more difficult if output quantities and quality were subordinated to quests for records by individual shops, workers or enterprises.

As Filtzer points out, the workers' reaction to the intensification of work, the shock work system, the pressure on wages, longer working days and speed-ups was increased hostility and discontent, leading in the most extreme form to strikes, although perhaps most usually involving go-slows. However, by the early 1930s these collective forms of response had all but disappeared. Why? Filtzer points to a combination of elements. Firstly, coercion and overt repression coupled with the punitive use of food and consumer goods shortages as a mechanism of punishment. Secondly, the changing composition of the workforce provided an opportunity to break the tradition of collective action, particularly against the background of continuing individualisation of the incentives system. Thirdly, this was also taking place against the backdrop of considerable shortages of consumer goods (including housing) and a dramatic reduction in living standards caused by the famine. Finally, and somewhat ironically, a sizeable minority of the workforce had the possibility of mobility into the bureaucracy and the elite. The combination of these elements provides an explanation of the atomisation of the Soviet workforce of this period. Increasing differentiation and rising inequality acted to demoralise the Soviet workforce and channel their response into individualised action.[9]

In response to this individualised activity, over the period 1928-32, the regime sought to change the legal position of the worker. The essentially liberal labour code of 1922 was eventually replaced in November 1932, by a much more restrictive framework. The essence of the approach was to strengthen legal proscriptions of undesirable activity, particularly absenteeism and spontaneous labour turnover, by dismissal and loss of ration and housing rights. Whatever limited effects were achieved in reducing absenteeism, the overall impact of the labour shortage gave enterprise management a strong inducement not to comply with the letter of the law.

Therefore, Filtzer argues that by the mid-1930s the essential features of the Stalinist system of industrialisation were established. The atomisation of the Soviet workforce, necessary for the entrenchment of Stalinist bureaucracy in power, nevertheless had led to a lack of internal economic coordination which made effective planning impossible.

> At its root lies the elite's inability to control the behaviour of those who must implement its instructions, both managers and workers, who must be granted the autonomy to carry

> out their tasks as they see fit under unpredictable conditions. They thus have considerable freedom to distort the situation to serve their own needs.[10]

The 'Stakhanov' movement

Throughout the rest of the period Filtzer considers, from 1933-1941, the elite is identified as struggling with the production relations established in the earlier period. He demonstrates in a great deal of detail the forms of labour indiscipline persisting in this period, particularly with regard to work-time losses, absenteeism, labour turnover, insubordination, etc., and the general absence of control over production. Filtzer notes for example, that

> . . . numerous industries were recording high proportions of workers substantially overfulfilling their individual-RA norms simultaneously with low equipment utilisation and poor use of the work day.[11]

However, the regime's desire for increased productivity and output meant that they could not allow these practices to remain totally unchallenged. Their response was to initiate the 'Stakhanov' movement. Based on the dubious record-breaking achievements of a miner, Aleksei Stakhanov, the campaign was essentially based upon speed-up, reduced earnings and increased wage differentiation. In effect it was a continuation of the 'shock work' system and was intended to break down the under-utilisation of capacity and lax work pace, simultaneously making both workers and management more vulnerable. Stakhanovites may have benefitted materially, but their less fortunate colleagues had the achievements of the Stakhanovites imposed as the new level of output norms. Filtzer provides an extensive account of the response to the Stakhanov movement, the opposition it generated and particularly the increased vulnerability of management to criticism as 'saboteurs' of the movement.

However, whilst it achieved short-term effects it was inherently irrational. Again how could enterprise planning co-exist with the unpredictability of output levels as a result of the attempts of individual workers to set records? The impact of this form of working on product quality and the manner in which fixed capacity was utilised also calls into question its rationality. But most importantly, the basis of Stakhanovism was the further individualisation of work and rewards and ultimately it failed to significantly affect the individual's control over the work process. Ironically also, it further stimulated enterprise management to collude with the workforce and evade pressures for speed-up and intensification that neither wanted. As Filtzer points out, managerial complicity went even further with major concessions

throughout the period over the question of wages and norms, which he extensively documents.

By the end of the decade the regime was faced by a series of problems that forced it to act yet again in the sphere of legal controls over the workforce. This was the result of the pressure for military build-up which not only reduced the level of economic activity by the withdrawal of resources from the economy but also exacerbated the labour shortage, as millions were drafted into the armed forces. In this kind of climate the regime could not tolerate the consistently high levels of labour turnover and absenteeism and was compelled to act. In December 1938 the regime introduced the labour book[12] as a method of control over the Soviet worker. This was followed, later the same month, by a new law, the intention of which was to enforce more rigorous control over absentees etc. However, it was clearly inadequate for the task as it was followed in June 1940 by an edict that criminalised labour violations.[13] Filtzer notes the extensive evasion and again, managerial complicity in avoiding the most harsh elements of this legislation and comments that only when the regime supported its legal measures with sustained attacks on both enterprise management and the judiciary, did the policy begin to have an impact.[14] Nevertheless, the inability of the regime to gain the conscious and conscientious cooperation of the workforce had led to direct and open repression.

Filtzer has provided an immensely detailed and richly sourced account of the period up to 1941, with a coherent theoretical explanation of both the basis for the historical events he describes and also the ramifications that flowed from them. But what of the present? To what extent does Filtzer's analysis provide an explanation of current problems and what similarities can be identified between the regime's response in the 1930s and the present?

I would argue that all the major phenomena that Filtzer has identified as coming into existence in the 1930s, have been and still are being reproduced within the political economy of the USSR.[15] Labour shortages still undermine the authority of Soviet enterprise heads and lead to managerial complicity with workers to avoid administrative sanctions; labour turnover, absenteeism, alcoholism, lateness and avoidance of work still appear to be the norm. The resultant economic dislocations have remained and problems of shortages, quality and waste continue. The never-ending attempt to raise labour productivity and increase the volume of the surplus is as pressing a problem for Gorbachev as it was for all his predecessors.

However, it would be naive to suggest that the Soviet economy in the post-war period is the same as the 1930s. The super-

ficial phenomena may appear similar, with similar interrelations and eventual effects, but the context both internally and externally has obviously changed. On the most general level, the mechanism of control and the ultimate arbiter in the process of surplus extraction, that the regime resorted to when necessity dictated in the 1930s and 1940s, was force. Since the death of Stalin and the limited de-Stalinisation undertaken by Krushchev, that has become less and less of an option for the Soviet regime. This is not to suggest that individuals or groups will not be persecuted or repressed, but a recognition that force cannot be the overall method of economic co-ordination. What Filtzer has clearly demonstrated is that even in the 1930s it was an extremely dubious strategy, given the immense wastefulness of the industrialisation process. After reading Filtzer's work it would be impossible to persist in the view that there is some rational kernel to Soviet planning which, even given the distortions and dislocations on the surface, should be defended and should be seen as the path to socialist development in the future. What Filtzer has shown is that rather than the planning process becoming corrupted and distorted over time, it was essentially flawed from its outset and arose in its particular form as a reflection of the circumstances of the USSR in the late 1920s.

Whatever the limitations of such a form of economic regulation in the 1930s, in the modern period it becomes completely irrational. This is the result of two interrelated forces. Firstly, there is an imperative derived from the socialisation of modern production and the consequently highly-developed division of labour that arises. It requires, if modern technology and production methods are to be implemented successfully, an integrated and consciously coordinated workforce that is able to exercise a degree of autonomous responsibility for production decisions. This will not be the result of the atomistic fragmentation that force and terror generate. Secondly, the workforce itself has become more sophisticated in its responses and has become more like an hereditary class. After all, Soviet workers in the 1980s are no longer former peasants who have recently moved en masse from the land.

Gorbachev's USSR

The problem for the ruling group in the USSR has been heightened in the post-war period by the fact that the possibilities for growth have been severely curtailed. Further growth in the absolute surplus, which characterised the 1930s, has been impossible because there is no longer a pool of surplus labour, either in the countryside or the home, that can be drawn into production. Simultaneously the pressures on the ruling group to expand the

surplus to deal with the contending needs of accumulation, armaments and space expenditures and the growing consumption demands of an increasingly restive population make it imperative to expand the relative surplus. In order to do this, however, the whole range of production relations, the origins of which Filtzer has identified, must be confronted and challenged.

I would argue that the whole post-war period is characterised by the ruling group's search for more stable forms of economic regulation that would simultaneously allow them to reproduce their own social position, assuage domestic discontent, incorporate sections of the population and play their perceived role on the world stage. The Western press may well believe that Gorbachev has ushered in a new period of reforms, but in reality he is simply the latest manifestation of a logic that has continually reappeared through Kruschev, Brezhnev, Andropov and Chernenko.

It is worth briefly considering the way in which they have attempted to institute change. Given that spontaneous change is impossible in the USSR, this has been attempted via a variety of experiments and reforms to the economic mechanism which in many respects have been surrogates for the market mechanism. They have drawn elements from the market and sought to implement them in a piecemeal fashion without the introduction of the social relations of production that the market entails. Initially these experimental forms have been greeted as successful and the way forward, suported by the party and state apparatus, but when implemented generally have failed to transform Soviet industrial reality. In many respects they have been the contemporary equivalents of the 'shock work' campaign or 'Stakhanovism' with the aim of enhancing production, differentiating wages and tying work to rewards. However, they have achieved as little success as the campaigns of the 1930s. In fact the experimental initiatives have often been transformed by the environment to eventually become nothing more than a formalised version of their initial intention. Interestingly, as in the 1930s, when these campaigns have faltered the regime have resorted to administrative and legal sanctions, for example Andropov's discipline campaign, legal moves against labour turnover, etc. The problems, however, appear to remain intractable.

Ultimately I would argue that the production relations established in the 1930s will undermine any similar type of reform. Gorbachev's drive for further wage differentiation, productivity increases and his continual demands for work and industrial discipline will be refracted through a set of work relations that militate against any of these things. The ultimate stumbling block to Gorbachev's reforms is not simply middle-layer party and state bureaucrats, who may well be obstructive,

but the eventual necessity to confront the workforce. The removal of the insecurity of unemployment and the consequent impact on the labour market has persisted throughout the period and structures the relationship between the worker and the enterprise and the regime. The logic of Gorbachev's policies is ultimately a return to the market as the dominant force of economic regulation but this could not be achieved without the reintroduction of unemployment. This kind of challenge to the Soviet workforce may eventually recreate the type of collective response that was largely eradicated in the late 1920s.[16] I would argue that since the mid-1960s it is precisely the fear of that type of response by the workforce that has delayed the implementation of an open return to the market by the Soviet ruling group and explains the current impasse. Unable to return to the law of value but equally unlikely to open up and democratise the planning process at all levels of the economy and society, the ruling group has to continually search for new forms and experiments to overcome the overriding tendency to stagnation.

Notes

1. For an example of the former approach see R. Conquest (1967) *Industrial Workers in the USSR, New York; or the output of the journal Workers Under Communism.* For the latter approach see virtually anything published by Progress Publishers.
2. See H.H. Ticktin (1973) 'Towards a political economy of the USSR', *Critique* No. 1, pp. 20-41; (1976) 'The contradictions of Soviet society and Professor Bettelheim', *Critique* No. 6, pp. 17-45; (1978) 'The class structure of the USSR and the elite', *Critique* No. 9, pp. 37-61.
3. Filtzer, op. cit., p. 1.
4. Filtzer, op. cit., p. 30
5. Filtzer, op. cit., p. 33.
6. It should be noted that if the internal coherence of the plan is to be maintained, overfulfilment is just as much of a problem as underfulfilment. For example, if the plan for commodity 'X', an intermediate input for the commodity 'Y', is overfulfilled but the plans for all other inputs to commodity 'Y' are underfulfilled, then the eventual output of 'Y' will be determined by the lowest output of the intermediate inputs. The net effect will be that the resources embodied in commodity 'X' will lie idle. The obvious point being that the overfulfilment of one commodity was often only possible because of the underfulfilment of others.

7. Filtzer, op. cit., p. 51.
8. Filtzer, op. cit., p. 62.
9. As noted alredy, this is necessarily the case if those institutions able to articulate workers' grievances, namely trade unions and political parties of the left, have abrogated their responsibilities. Furthermore, the difficulties are made more intense if the theoretical means for understanding their position and organising a collective response, namely Marxian political economy, has become the ideology of the ruling group.
10. Filtzer, op. cit., p. 121.
11. Filtzer, op. cit., p. 177. He could also have added that these same enterprises may well also have been fulfilling their enterprise plan targets, such was the degree of dislocation.
12. The intention was that the labour book should contain the worker's employment record and this would include reasons for leaving jobs etc. If the law stipulated that truants or continual absentees should not be rehired then the record in the labour book would be crucial for workers seeking employment.
13. This edict was a most draconian piece of labour legislation extending both the working day and the length of the working week. Quitting and absenteeism were criminalised, and managers failing to enforce the legislation would also be liable to prosecution. Simultaneously other decrees stipulated that the daily wage rate would remain unchanged and output quotas raised. The net effect being that Soviet workers now had to work harder, and longer, for less.
14. Filtzer, op. cit., p. 252.
15. For a more detailed account of the period from the late 1960s to the accession of Gorbachev, see my *Controlling Soviet Labour: Experimental Change from Brezhnev to Gorbachev*. Macmillan (forthcoming, February 1988).
16. It should be noted that forms of collective action have reemerged on occasions, for example in the early 1960s when the regime attempted to simultaneously raise food prices, increase the pace of work and reduce the rate of payment. The wave of strikes and disturbances illustrate the possible response to similar actions on the part of the ruling group. See V. Belotserkovsky (1979) 'Workers' struggles in the USSR in the early sixties', *Critique* No. 10/11, pp. 37-50.