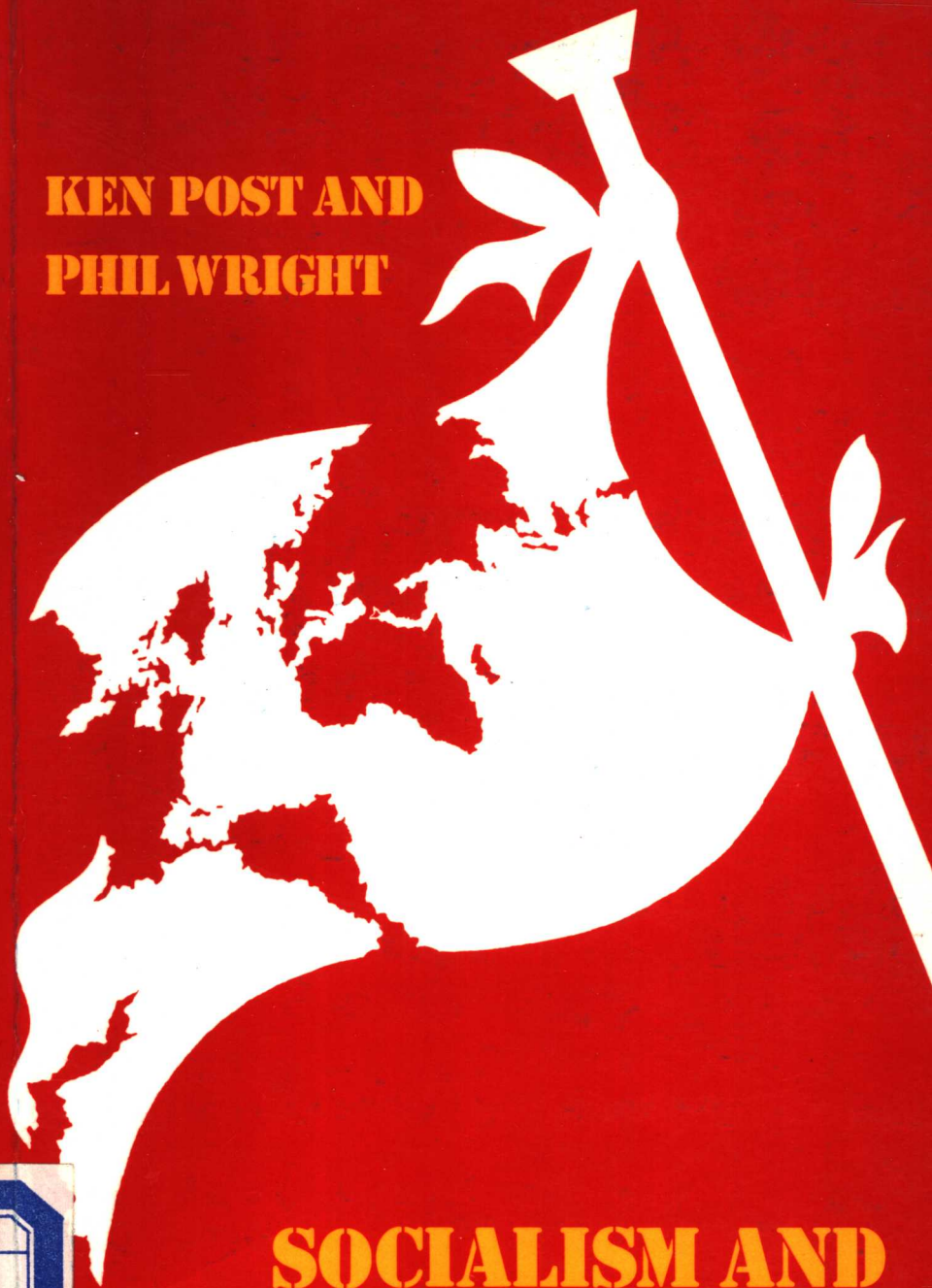


**KEN POST AND
PHIL WRIGHT**



**SOCIALISM AND
UNDERDEVELOPMENT**



*Socialism and
Underdevelopment*

*Ken Post
and Phil Wright*

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Series editors' preface

Development studies is a complex and diverse field of academic research and policy analysis. Concerned with the development process in all the comparatively poor nations of the world, it covers an enormous geographical area and a large part of the modern history of the world. Such a large subject area has generated a varied body of literature in a growing number of journals and other specialist publications, encompassing such diverse issues as the nature and feasibility of industrialization, the problem of small-scale agriculture and rural development in the Third World, the trade and other links between developed and developing countries and their effects on the development prospects of the poor, the nature and causes of poverty and inequality, and the record and future prospects of 'development planning, as a method of accelerating development. The nature of the subject matter has forced both scholars and practitioners to transcend the boundaries of their own disciplines whether these be social sciences, like economics, human geography or sociology, or applied sciences such as agronomy, plant biology or civil engineering. It is now a conventional wisdom of development studies that development problems are so multi-faceted and complex that *no* single discipline can hope to encompass them, let alone offer solutions.

This large and interdisciplinary area and the complex and rapidly changing literature pose particular problems for students, practitioners and specialists seeking a simple introduction to the field or some part of the field with which they are unfamiliar. The Development and Underdevelopment series attempts to rectify these problems by providing a number of brief, readable introductions to important issues in development studies written by an international range of specialists. All the texts are designed to be readily comprehensible to students meeting the issues for the first time, as well as to practitioners in developing countries, international agencies and voluntary bodies. We

hope that, taken together, these books will bring to the reader a sense of the main preoccupations and problems in this rich and stimulating field of study and practice.

RAY BROMLEY
GAVIN KITCHING

Foreword and Acknowledgements

The first sentence of this book was written as long ago as 1977, but it has certainly lost none of its import. Our progress has been slow, for in the meantime one of us moved back to Britain and had to cope with the inevitable hassles of a new job as well as being separated from the other (which meant a voluminous correspondence, now almost as long as the book itself!), and we have both been involved in other work. This joint project therefore became something of a side-line which we have picked up and dropped as time and mental equilibrium have permitted.

On the other hand, we feel that our tardiness has had an important positive side which has helped to enrich the book. First of all, some of the other work in which we have been involved has concerned countries engaged in socialist transformation, namely Viet Nam (K. Post) and Yugoslavia (P. Wright), and this has provided us with new insights. Indeed, originally this book was conceived of as an introductory theoretical text which would guide our work on 'case-studies', but in the event it has been rather the other way round. Second, our work would have been impoverished without the benefit of the flowering of critical and creative writing about socialist transformations which began in the 1970s but has continued over the last few years. Here we wish to single out the inspiring work of Janos Kornai whose fascinating elaboration, in the *Economics of Shortage*, of a working micro-economics for a planned economy must surely rank as the foremost achievement of post-war economic theory.

Nevertheless, we hope not to be judged derivative. We have tried to relate our work and that of others to a different problematic, the key one for the twentieth century inscribed in our title. We have tried, thus, to show key issues as a continuum, from the original Soviet case to the most recent ones. And we have tried more systematically than is usual to combine political and economic analysis.

Reference to the writings of others draws special attention to our own sources. After some thought, we decided not to include a separate bibliography. The point is that, even to pretend to adequate coverage, a list of theoretically relevant works in the *two* major fields embraced by our title would fill a volume as long as this one, and selection would be an invidious task. As for titles related to our concrete reference points, a similar situation would prevail, at least for the USSR and China. Thus we decided to give full reference in relevant notes and leave it at that.

At a personal level, writing this book has been an odyssey out of the fog of dogma towards a greater tolerance of eclectic views of the world. The book has served us as a sort of political psychoanalysis, exposing our hang-ups and limitations. However, during the added trials and tribulations which this involved, one of us at least had the support of Stoya and Alexander, the latter having progressed from baby to schoolboy while we were writing.

As is usual we have also accumulated other debts. Michael Ellman read and commented on Chapter 3, as did George Irvin who led us to devote more attention to the problems faced by smaller, more open state socialist economies. Andrew Gamble also read Chapter 3 and said it was new to him, which was encouraging. Part of Chapter 5 benefited from a discussion with Tony Burke although, as an *aficionado* of one-party states, he will probably not agree with our conclusions. We are also particularly grateful to our anonymous referees and to Gavin Kitching, one of the series editors: their painstaking comments were both testing and valuable. Finally, we would like to thank the Institute of Social Studies in The Hague for providing support services and particularly those of Lyske Schweigman, Aida Jesurun, and Barbara Kennedy, who put the manuscript into its final physical shape after a frustrating experience when technological change demanded a shift from one computer system to another, a trauma which caused one of us at least to look back to the days of his youth, when typing was all that was needed.

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Contents

LIST OF FIGURES	vi
SERIES EDITORS' PREFACE	vii
FOREWORD AND ACKNOWLEDGEMENTS	ix
1 Socialism and underdevelopment	1
2 The seizure of power	33
3 State socialist accumulation: the resource-constrained economy	65
4 The politics of state socialist societies	115
5 Towards a balance sheet	149
NOTES	183
INDEX	196

List of figures

3.1	An illustrative delineation of potential conflicts over the distribution of resources	74
3.2	Variety of time-paths of consumption	84
3.3	Output, employment, and productivity in the Yugoslav metal products industry, 1947-52	87
3.4	Employment absorption and surplus maximization	88
3.5	(a) Shortage and slack in resource-constrained production	106
	(b) Slack in demand-constrained production	107
5.1	A trade-off matrix	172

Socialism and underdevelopment

In the last quarter of the twentieth century Rosa Luxemburg's famous alternative, 'socialism or barbarism', still seems as relevant as it did in the first quarter. During the 1970s capitalism in the advanced industrial countries moved into its deepest and longest recession since the 1930s, leaving in its wake a fast-growing pool of wasted humans. As the world enters the late 1980s right-wing governments have proliferated, international tensions have mounted, and with the 'INF agreement' affecting at most 5 per cent of total destructive capacity and President Reagan's enthusiasm for taking the arms race into space continuing, the spectre of nuclear holocaust hangs heavily over the world. Moreover, the alternative is now perhaps just as stark as it was at the beginning of the century – despite attempts to resuscitate it, the reformist Keynesian-inspired middle ground has disappeared as the system is no longer able to generate the rates of growth of both output and employment which provided the cement for the post-war alliance between labour and capital. Indeed, in spite of its self-proclaimed capacity for eliminating capitalist crises, 'Keynesianism' proved not to be up to the task of coping with the concurrent problems of inflation and unemployment afflicting increasingly open and interdependent economies. In its place the rise of 'monetarism' has reflected the consolidation of a new era of domination by international finance capital and the imperative of creating conditions under which the self-regulating mechanisms of capitalism (the destruction of inefficient capital and the disciplining of the labour force through mass unemployment) could assert themselves more freely.

As for the underdeveloped countries, the so-called Third World which emerged historically as a result of the expansion of western capitalism throughout the globe and the restructuration which it imposed for its own purposes, their prospects seem even more uncertain. It is, of course, necessary to recognize how diverse the over

one hundred countries of this 'World' are, ranging as they do from Argentina and South Korea to Chad. Yet there is a crucial economic parameter which limits their diversity, and that is their interpenetration with advanced capitalism. All of them, therefore, have been caught up to one degree or another in the repercussions of the crisis of the latter, a crisis characterized by a far-reaching restructuring of the world economy the implications of which are as yet unclear. However, the economic and social problems which will beset them vary greatly, ranging from massive debt burdens to the drought, mass starvation, and destitution which have afflicted the poorest, above all in Africa. In these circumstances, another common feature which serves as a kind of political parameter to their diversity is authoritarianism in response to the need to allow their own versions of the self-regulating mechanisms to take effect.

On the other hand, and despite this acute instability and uncertainty in the world economy, it is also true that the socialist alternative no longer seems to offer the obvious solace which it did at the beginning of the century. It is this paradox which motivates us to write this book. While socialist ideas have been important to national liberation struggles in peripheral capitalist countries since the Second World War, workers in advanced capitalist countries have, by and large, judged socialism by its concrete practice in the so-called socialist countries and, justifiably, found it an unattractive alternative. Indeed, as Polish workers and peasants have most conspicuously shown, Rosa Luxemburg's alternative applies just as much to the 'socialist' bloc as to western capitalism. Moreover, while the impact of socialist ideology on national liberation struggles in peripheral capitalist countries may have been substantial since the Second World War, at the present time it is being challenged by Islamic fundamentalism.

This state of affairs leaves the labour movement and all kinds of working people in a dangerous limbo – the possibilities for introducing reforms are severely circumscribed and, just at a time when a confident socialist alternative is more necessary than ever, socialist ideas have lost much of their mass appeal. Similarly, they have been judged and condemned on the basis of their practical implementation in a number of underdeveloped countries. As we see it, therefore, central to moving out of this limbo is the development of new insights into why the implementation of socialist ideas has led to the emergence of societies which appear unattractive to ordinary people living in all parts of the capitalist world, and which, with a few exceptions, are certainly not held in very high esteem by most of the

people who actually live in them. This is the main objective of this short book.

THE PROBLEMATIC

In this book we are concerned to begin to unravel the 'laws of motion' of 'state socialist societies'.¹ Its title is *Socialism and Underdevelopment* because all of the socialist revolutions of the twentieth century have occurred in underdeveloped peripheral capitalist countries (a secondary objective of the book is to consider why this has been so) and, more importantly, because the problems created by conditions of socio-economic underdevelopment have clearly had a decisive, but not fully recognized bearing on the emergence of the main characteristics of contemporary state socialist societies. In this respect it is very unfortunate that socialist ideas in general have been judged and condemned on the basis of their practical implementation in a number of underdeveloped countries, including the original USSR. It would surely be more reasonable first of all to extricate these ideas from the quagmire of circumstances under which they were put into practice. If this can be done it would certainly represent a step towards the possibility of real debate about socialist ideas, in turn making the elaboration of a viable socialist alternative that much more attainable.

The problematic of this book is therefore the relationship between socialism and underdevelopment, and that in three senses. First, because that is historically what came to be the case; it seems to us of decisive importance that after about 1920, and certainly since 1945, both the debate about the building of socialism and the attempts to do so shifted from capitalism's advanced centre to its underdeveloped periphery. Second, as a result, the relationship between socialism and underdevelopment has now become the key issue for the future of the former, given that it is the only potential alternative to barbarism for a human race most of whom do not enjoy the privileges of living in the central countries (which can now be taken to include Japan, Canada, Australia, and New Zealand). After all, it should always be borne in mind that socialist ideas originally emerged as a critique of industrial capitalism, not as a programme for dealing with the socio-economic problems of peripheral capitalist countries. The possibility that they cannot, in fact, become the latter without deformation must still be left open as a matter for discussion. The historical shift may well have been into a terrible dead end. In face of that possibility the relationship

between socialism and underdevelopment is part of our problematic in a third sense, namely the question of whether a socialism, which has no developed industrial base 'inherited' from capitalism, can provide a way forward.

Following from the above issues we may state our proposed laws of motion of state socialism as follows:

1. State socialist systems have an innate economic tendency to underproduction and shortage which is reciprocally related to a series of macro- and micro-economic conflicts over the distribution of resources.

2. State socialist systems are marked by an innate political tendency to the assertion of state control, eradicating all autonomous elements in civil society.

It should be noted that we do not put these forward as absolute 'scientific' laws which *have* to be realized; that would be in the worst traditions of Stalinist theorizing. Rather, we see them as 'laws of tendency' which may never be fully realized, certainly not in every concrete case. Moreover, it is one of their innate characteristics that their very operation serves to create countervailing tendencies, either within the given system itself or introduced from outside. Thus we have a dialectical situation in which specific elements brought into combination generate certain processes which in turn shape those elements in such a way as to modify or even block the processes.

The issues raised here will be theorized (though, it must immediately be pointed out, unevenly) in the rest of this book. In the remainder of this chapter we shall sketch out some of the main elements of the socialism-underdevelopment relationship which we feel have been neglected in previous discussion and to which we shall give special attention later.

The problematic of socialism and underdevelopment as it has emerged in the second half of the twentieth century encompasses for us the interplay between three elements: underdevelopment, the form and nature of the seizure of power, and the 'received ideas' of socialism. Underdevelopment is an 'objective' element contributing the material conditions which both nurture the possibility of a revolutionary seizure of power and circumscribe the options open to the revolutionary leadership once the seizure of power has taken place. The form and nature of the seizure of power is also an 'objective' element which leaves an indelible imprint on post-revolutionary history, although it is itself determined by both objective factors

(particular material conditions) and 'subjective' factors (the political perceptions upon which the revolutionary leadership acts). The 'received ideas' of socialism constitute a purely 'subjective' element. Derived above all from Soviet experience, they provide the main substance of what the revolutionary leadership thinks it is about once the seizure of power has taken place. Although these elements may differ in content, according to time and place, theorizing them and the interplay between them provides general insights into the 'laws of motion' of all state socialist societies – as we shall be seeking to demonstrate, though obviously not exhaustively, in our companion studies.

Underdevelopment

The 'socialist' revolutions of the twentieth century (including the 'induced' ones in eastern Europe, except perhaps Czechoslovakia) have all occurred in underdeveloped, peripheral capitalist countries.² The necessity for socialism is, of course, an issue wherever capitalism exists, but our chosen focus is this phenomenon. This means that the potential 'catchment area' for this study of experience to date includes some twenty-four countries, if we exclude the Soviet Union itself. As we shall explain at the beginning of the second chapter, eight in eastern Europe (Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania, and Yugoslavia) may be seen as belonging to one historical bloc. They are significant for us because they offer the longest experience of attempting to build systems on the Soviet model, or of reacting against it. Angola, Benin, Congo, China, Cuba, Ethiopia, Cape Verde, Guinea-Bissau, Kampuchea, North Korea, Laos, Mongolia, Mozambique, Somalia, Viet Nam and South Yemen are successors to the Soviet Union in describing themselves as 'Marxist-Leninist' or 'scientific' in their socialism (though Somalia with less emphasis since 1977). This distinguishes them from the others, like contemporary Tanzania or Burma, which style themselves 'socialist'; these bear many of the characteristics we shall analyse, but are not fully committed to the dominant model which is our concern. Nicaragua is potentially a key case, with a leadership genuinely committed to socialism but not to the Marxist-Leninist model we are analysing. In that sense it could provide a future alternative model, though there is also the possibility that, especially under the pressure of external aggression, the regime may swing more in a state socialist direction.³

Given that the second group of sixteen listed above has historically more in common with possible future cases (South Africa? the Philippines?) than the eastern European countries, the main weight of our discussion, at least in terms of implications, is meant to rest there. However, our basic starting point is that in all twenty-four the particular form of peripheral capitalism which gave rise to revolutionary possibilities was broadly similar (again, possibly excepting Czechoslovakia).

1. All the countries concerned had been integrated into the world division of labour as primary commodity-exporting economies during the stage of the expansion of western capitalism when the search for food and raw materials began in earnest on a world scale and the periphery was being increasingly spatially reorganized for capitalist purposes, sometimes involving the creation of units which never existed before (for example, the colonies created by the 'grab for Africa').

2. They were all largely agrarian economies with a low absolute level of development of the productive forces and exhibiting a combination of forms of production and surplus extraction.

3. Corresponding to their importance as suppliers of food and raw materials to western capitalist countries, the strategic sectors of their economies were under the control of foreign capital.

4. Significant local initiatives in the direction of industrialization, if there were any, were generally being carried out under the auspices of the state or foreign capital, rather than by a 'domestic bourgeoisie'.

This form of peripheral capitalism was also related to a particular class structure including a weak domestic capitalist class, a small working class, a large peasantry and petty bourgeoisie, and a small range of middle strata.

That these features of peripheral capitalism were crucially important to revolutionary prospects in Russia was recognized by Trotsky as early as 1906 – from them he derived the 'law of uneven and combined development' and the 'theory of permanent revolution'.⁴ However, neither he nor any of the other critics of state socialist societies who we shall discuss later really integrate the particular problems of underdevelopment generated by this peripheral capitalism into their analytical conceptualizations of post-revolutionary society, or only do so at a very general level. Trotsky himself uses underdevelopment to explain bureaucratic

degeneration, but he only sees the causal link between the two in terms of a scarcity of consumption goods: the role of underdevelopment in the emergence of specific production relations is nowhere in the picture. At one point Mandel has a potentially interesting insight:

It is, therefore, at least possible, if not probable, that what today seem to be 'general' features of this transitional society are in reality peculiarities having less to do with the internal logic of such a society than with the conditions of socio-economic under-development.⁵

But his conceptualization does not incorporate his remark: underdevelopment is an exogenous nuisance factor which generates deviations from a 'normal' transition to socialism.

Similarly, Cliff writes that, 'Russia presents us with the synthesis of a form of property born of proletarian revolution and relations of production resulting from a combination of backward forces of production and the pressure of world capitalism.'⁶ However, backwardness is then related to the development of state capitalism only in a very abstract way - the bureaucracy has to fulfil the 'historic tasks of the bourgeoisie'.

In contrast, our method involves appreciating the importance of a specific pattern of underdevelopment to an understanding of state socialist societies: underdevelopment is a basic element in our problematic which, in conjunction with the other two, fashions the laws of motion and contradictions of such societies. In other words, we are concerned to investigate the *concrete* relationships between underdevelopment and the specific historical paths followed by these societies in order to develop a theoretical abstraction which has explanatory power with reference to the history of these societies as a kind. We shall argue that the condition of underdevelopment clearly imposes the objective necessity of industrialization, and its specific form then confronts industrialization with particular constraints and harsh choices, which in turn are the engine of contradictions which shape the structure of the emerging society. Isolation in a hostile capitalist environment only serves to render the constraints more rigid and the choices harsher. Moreover, the specific nature of the laws of motion of state socialist societies will also be related to the form of the original seizure of power and to the 'socialist methods' which are employed to launch the industrialization drive.

The seizure of power

In introducing the seizure of power as an element in the problematic of socialism and underdevelopment, we shall be theorizing why and how it is that 'socialist' revolutions have been produced within these specific features of peripheral capitalism rather than within more advanced formations. On the other hand, we must also explain the widely differing forms of seizure of power in these twentieth century revolutions, and must indicate the conditioning effects which the different forms have had on post-revolutionary society. In fact, despite general similarities in socio-economic structure, socialist revolutions produced within peripheral formations have shown wide variations in politico-military terms, while each different seizure of state power involved considerable variation even though upon a common pattern of class alliance. This has been a particularly crucial element after the coming to power of the revolutionaries, as we shall see.

In addition to a systematic examination of the above factors, we feel that our work can be innovative in opening two other dimensions of the seizure of power. First, there is the question of violence and the armed struggle. With the single exception of the Unidad Popular in Chile, no political movement openly dedicated to socialist transformation along lines inspired by Marxism has ever come to power at the national level without armed struggle against foreign invaders, colonial liberation war, civil war, urban insurrection, or at least a coup. In fact, most often the struggle has combined more than one of these forms. It also seems clear that adequate theorization of the role of violence would take us beyond the confines of the social formations themselves, and thus cause us to locate at least part of our explanation at the level of the contradictions of capitalism on a world scale.

Second, nationalism in one guise or another proved to be an important lever of political mobilization, particularly for those revolutions which followed the Second World War. The gestation of 'socialist nationalism' therefore constitutes an important (and neglected) avenue of enquiry for explaining different forms of seizure of power. Understanding socialist nationalism is, in fact, integrally related to examining how the international contradictions of capitalism contribute to the creation of revolutionary possibilities.

Further discussion in Chapter 2 will show why we see the form of the seizure of power as extremely relevant to the development of post-revolutionary societies – for example, coming to power at the