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BOOK REVIEW

Stephen Resnick's & Richard Wolff's: *Class theory and History. Capitalism and communism in the U.S.S.R.*, London: Routledge, 2002

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This book was written with the explicit intention to offer a Marxist “interpretation of the USSR’s birth, evolution and death”. However, the writers aim much higher than this. In our view the principal contribution of this book lies in their effort to provide a fresh class-based analysis to any revolutionary project of social reform. Resnick and Wolff (R&W) define class not in terms of power (the relation of rulers to ruled) or even property (the relation of haves to have-nots), but in terms of surplus: individuals are classified in a society “in terms of their relationship to this surplus” (p.8). R&W use the old Marxian concept of surplus as the part of labor that is “above and beyond to that which society deems necessary for the reproduction [of its] laborers” (id.). The key issue of qualifying a system as capitalist or communist concerns then the appropriation of that surplus: when those who are producing the surplus are the same with those who appropriate that

surplus, then you have communism; when they differ, you have capitalism (or maybe some more ancient form of hierarchical society, like feudalism).

Two out of three parts of the book deal with this theoretical problem of redefinition of capitalism and communism in terms of surplus. The theoretical part serves as a prolegomenon to the critique that R&W address in the third and longest part, where they evaluate the history of the USSR from 1917 to 1989. The core of their critique turns around a very simple idea, already stated in the introduction: “Soviet socialism was not a step to communism but rather a state capitalist class structure”. Put bluntly, R&W hold that **communism never failed since it never prevailed** in the Soviet Union or anywhere else.

But, what is communism according to R&W? Outside the identity between producers and appropriators of surplus already mentioned, they associate to communism two widely known qualities: state-managed distribution of resources and products, and collectivized ownership of means of production. So far, so good. Still, R&W insist to distinguish in Chapter 2 “many forms of communism”. In doing so they are trying to match potential communism with private ownership of means of production and competitive markets. Against what it is commonly believed, R&W hold that “private property can be consistent with and supportive of a communist class structure” (p.53). To demonstrate this they construct a hypothetical social organization that shows how communism can go hand in hand with private property. The writers even go so far to suggest that individuals might have maximization incentives when producing social surplus. The same argumentation is used as far the second capitalist-like characteristic of this exemplar communism is concerned, that is competitive markets. To deal with markets, they imagine two enterprises having communist class structures and manned with communist workers. No matter how these two communist islands will survive in the tempest of the capitalist oceans, R&W seem quite undisturbed to believe that communist class structures can coexist “with alternative mechanisms of resource and product distribution (markets and planning)” (p.65).

Armed with this analytical apparatus, R&W try to prove that “the overwhelming majority of societies hitherto labeled socialist have been forms of capitalism” (p.76). The kind of capitalism that fits with USSR and its ‘followers’ is called “state capitalism” and it is explained in length in Chapters 3 and 4. As opposed to private capitalism, the system that prevailed in the Western World and that Russia only began to know fifty years before the Revolution, in state capitalism individuals employed and selected by the state “exploit labor in enterprises that occupy locations within the state apparatus” (p. 87). Soviet society had both qualities characterizing “state capitalism”: state owned means of production and

exploitation of the labor power, that is to say capitalism. On this basis, it is easy for R&W to apply conventional Marxian value analysis in terms of surplus. Soviet Union was a class structured society where the distribution of property, the organization of power over resource and product distribution, prices, as well as the internal organization of enterprises, were all decided by state –read Party- officials (p.98).

Although R&W recognize that many great Marxist thinkers from Marx himself to Lenin, Trotsky and many German and French socialists have dealt with state capitalism in the past, they claim that nobody “has ever defined it as we did above” (p.104). Everybody else has attached to the word ‘capitalist’ speaking of USSR, the meaning of a private ownership of means of production or of a particular distribution of power within the Soviet State. Only them -R&W- have focused on the state capitalist character of Russia in terms of surplus labor. Nevertheless, the concept of class structure in terms of surplus appropriation and exploitation of labor, to describe the production relations in the USSR has been introduced already in the late 1940's by Cornelius Castoriadis. In his series of essays written in the leftist, but well disseminated, Review *Socialism or Barbarism*, Castoriadis has clearly analyzed Russia as an economy of exploitation, where the state owns the means of production while proletarian workers own nothing but their labor force, and where the bureaucrats “appropriate for themselves one part of the social product without participating in the productive work”, leaving to the workers a wage -fixed by the bureaucrats themselves- close to the “physiological minimum”.¹ We see no significant difference with R&W's class analysis where surplus labor and not only power, is the key to understand state capitalism in the USSR. Castoriadis advances even a step further in his criticism against the “best ever organized system of exploitation in history”, trying to comprehend in terms of surplus theory the reasons of the great differentiation of revenues in Russia, which is even more accentuated than in the advanced capitalist countries such as the USA or France!²

Part Three presents the rise and fall of the Soviet ‘Empire’. The narrative begins in 1861 when Czar Alexander II abolished feudalism in Russia. R&W argue in Chapter 5 that “the czarist state actively facilitated the emergence of capitalist class structure in pre-1917 Russia” (p.141). This social change was done, as the writers underline, within a society where “Russians could occupy what [they] call subsumed and non class positions” (p. 143): many individuals earned incomes

¹ Castoriadis (1949), pp. 251-4. R&W do mention *Socialism or Barbarism* in p. 111.

² *Ibid.* p. 260 ff. As he observes that the American President earns six times less and the French President almost 8 times less, than the numerous Presidents of the Council of the Union of the many Republics of the USSR.

without participating in any fundamental class process, or by occupying multiple class positions –e.g. a peasant who is producing freely on an allocated land using hired labor force and works seasonally in a urban capitalist enterprise. These social complexities where of particular significance not only in producing contradictions that prepared the way to the Great Revolution, but mostly because they finally proved themselves resilient and so deeply rooted to undermine the future of the soviet transformation.

In Chapter 6, R&W show that not only the ancient capitalist farms did survive, but also that the feudal and ancient household class structures continued living after 1917. As they emphasize it, “the USSR never achieved nor even approached the social hegemony of what [was] above defined as communist class structures” (p.157). What is more, “the exploitation of workers prevailed across the entire history of the USSR” (idem). Even if the new Soviet authorities took over the ownership and control of what have been previously private capitalist industrial firms, they did not transform the mode of production, appropriation and distribution of surplus labor (p.162). The situation was even worse in the agricultural sector where the ancient feudal class structures coexisted with small capitalist farming until the massive collectivization of the late 1920’s, and worst in the Soviet household that remained fundamentally the same as in the pre-revolutionary Russia.

These household class structures are brilliantly analyzed in Chapter 7. R&W handle with great skill the most obscure and painful side of the Soviet revolution, that is *communism ...at home, at table, in family life and daily round*, to borrow the poetry of Vladimir Mayakovsky. Household class structures are important to every attempt of social change since they interact with every other aspect of social life, and therefore with production and consumption. Without affecting household structures, no social transformation is possible and the Soviet reformers realized this quickly enough, especially as far the condition of women is concerned. Thus, Trotsky observed in the late 1920’s, “forty million soviet families remain in their overwhelming majority nests of medievalism, female slavery...” (p.189). Can you imagine a heavier burden than to be an exploited proletarian in a state capitalist class society? Yes, if you consider the wives and girls of the proletarians!

Chapters 8 and 9 present thoroughly the massive social reforms of the soviet state of the early Stalinist era. First, the New Economic Policies willing to reestablish an equilibrium so to speak between the fast growing industrial sector and the left-behind agricultural one. R&W examine this process through the mechanism of net value transfer from agriculture to industry via unequal exchange (p.213). Second, massive collectivization of land aimed to eliminate any capitalist element from the

agricultural sector all together with “domestic class enemies”. According to R&W collective farm agriculture was the only sector of the Soviet economy where a communist class structure was achieved (p.245). Third, reorganization of the soviet industry designed to maximize and then appropriate social surplus of labor. Thanks to a tremendous increase in the intensity of labor, all industrial sectors of the heavy soviet industry knew an average growth rate exceeding 10% in the 1930's (p.258), accomplishing in a few decades a transition to industrial society that required centuries in many western countries. Now, if you also take notice of the accelerating decline of real wages, it is difficult to accept both the rising rate of exploitation and the massive support of these exploited workers to Stalin! (p.263).

But this is a minor objection. Throughout the historical part of the book, R&W are trying mainly to confirm their theoretical surplus approach, than to reconstruct what really happened in the USSR. This is accentuated by their persistent reference to the originality of their approach (see pp. 161, 183, 229, 245 and so on), and mostly by their attitude to neglect factual evidence. Perhaps it was never their ambition to re-evaluate the seventy-two years history of the USSR, despite what they have said in the very first line of their introduction. But, is it enough to speculate about wages, prices, productivity, growth, national income and expenditure without offering but three or four tables and figures in the endnotes? Instead they have opted to use an original version of the national revenue, national expenditure identity to study the transformation of the Soviet Economy before and after 1917. The claim that $SV(C) + SSCR(C+A+F) + NCR = SSCP(C) + X(C+A+F) + Y$ of the czarist era (p.158), became $SV(C) + SSCR(C+A+F) + NCR = SSCP(C) + X(A+C+F) + Y$, under the Soviet regime (p.210), besides its poor mathematics, offers no factual evidence about how things have changed after the Revolution. More than that, it is useless to the main argument of the book.

Chapter 10 deals very succinctly with post 1945 history of the USSR. The postwar Soviet economy continued to amplify its class contradictions, between state capitalist industries and farms, between its growing state expenditures (to maintain its superpower force and the growing Party expenses) and the growing collective consumption in all relevant sectors (housing, medical care, education etc.)³, and of course between the internal political and cultural processes needed to allow the survival of the Soviet society and the growing international pressure of the western postwar golden economic era. All these contradictions lead to the 1989-1991

³ *Many western specialists, such as Bettelheim (1950), although not hostile to the Soviet experiment, have expressed early enough their serious reserves as to the ability of the central planners to estimate the social consumption without carrying about the soviet consumers real needs.*

sudden collapse of the Soviet experiment⁴. We find R&W's conclusion particularly interesting: "In class terms, no crash happened at the end of the 1980s. It was rather certain non-class aspects of the Soviet society that changed dramatically. Their impact on Soviet class structures was marginal and limited. The demise of the USSR was not a collapse of communist class structures in favor of the capitalist alternative. The USSR as a nation and the social position of the Communist Party collapsed. In contrast, the USSR's class structures marginally adjusted" (p.281).

This is a key lesson that needs to be read not only by historians, political scientists and sociologists interested in Soviet matters, but also by those economists eager to understand the complexities of the so-called transition of the former centrally planned to market economies. Curiously, it joins from a totally different route, Joseph Stiglitz's evaluation of "What went wrong in the socialist experiment". Let alone the political project underneath, Resnick, Wolff and Stiglitz seem to agree at least in one point, that it was mainly the centralized state capitalist character of the Soviet economy that was responsible of its failure.

References

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⁴ One will be very astonished today if he reads the official texts of the Soviet state (cf. *Coll. Work, 1980*) where any suspicion about the eventual existence of any such contradiction is totally absent.