

Why Perestroika?

By Sunil*

Perestroika and glasnost have become favourite topics of discussion in even the most fashionable bourgeois circles. It is reported that Ambani, the upcoming comprador tycoon, is even planning to "sell" Gorbachev on Indian TV! Bourgeois analysts have triumphantly seen the "historic defeat" of communism and the victory of capitalist profit-seeking competition and the democracy which goes with it in Gorbachev's rise to power. At the other end of the spectrum, neorevisionists like Deng's chelas [disciples — *AWTW*] have been enthused by the return of a "human look socialism" and "Leninist" norms. As for the old-time revisionists like the CPM and the CPI, they are once again in a fix. As usual they are faced with the nasty task of fabricating explanations which justify both Gorbachev and their own positions of the past. And as usual the bourgeois politicians have found it a good weapon to ridicule them.

In this whole debate, all the participants have been very careful to avoid any mention of the critique and exposure of the capitalist nature of the Soviet Union made by Mao Tsetung more than two decades ago. Obviously, even mentioning

this is risky for them because perestroika is no longer just an internal development in the Soviet Union — today it has been elevated, along with all its other features, into a weapon of the bourgeoisie throughout the world to attack and discredit revolution and communism. Hence it is in their interest to cover up the nature of the development which had already taken place in the Soviet Union since Khrushchev seized power. It is in their interest to present the recent developments in the Soviet Union as a break with socialism initiated by Gorbachev alone.

But this is far from true. Apart from the unbroken continuity of the capitalist content of Gorbachev's reforms from Khrushchev's time onwards, even the measures he is proposing, such as the maximisation of profit as the central goal of economic activity, giving free play to market forces to ensure this and using capitalist cost accounting methods and reforming the price structure to support this measure, all date back to the 1960s. Hungary, in the Soviet bloc, has already implemented such measures long ago and has "progressed" to such an extent that income tax laws have also been implemented — both to siphon off a larger share of private profits to the state and as a matter of political expediency. So Gorbachev's perestroika is not something entirely

new. It is a further unfolding of a development process, a capitalist process, fully inaugurated and legitimised by Khrushchev. Yet it is not just an extension of that process and contains (or reveals) some new aspects related to the internal structure of the Soviet economy and its position in the global imperialist system. Thus it is necessary to examine the question of why perestroika *now*, to fully grasp the internal and external implications of Gorbachev's restructuring programme.

The Crisis in Soviet Society

Over recent years the Soviet ideologues have been very obliging in exposing the crisis affecting all spheres of their society. The rosy propaganda on ceaseless growth and development has been sharply exposed as a pack of lies. Gorbachev and his coterie inform us now that growth rates had declined by the eighties. Scientific/technological development had stagnated. The financial situation had become tense with expenditures overshooting revenues regularly. The state had started relying more and more on boosting its revenues through such means as liquor taxes which went up from 67 billion rubles in the eighth plan period to 169 billion roubles in the eleventh plan! (These figures symbolise not only lopsided revenue raising methods but also the degeneration of Soviet society over-

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all.) Gorbachev goes on and on but we need not recount all he says. Accepting the crisis in Soviet society as he states it, let us see the reasons he advances for this. In the sphere of economy, Gorbachev's argument is that "extensive" methods of development have been the root cause. By this, he means that instead of trying to continuously improve the technological level of industrialisation, Soviet planners have been focusing on tapping more and more of the abundant national resources of the Russian empire and building up more and more factories. He counterposes this to his "intensive" method which emphasises growth through upgrading technological levels. Gorbachev targets centralisation of an omnipotent bureaucracy as the chief culprit for this state of affairs. It has stifled all enthusiasm and initiative and has also become a major drain on resources; the 18 million strong bureaucracy — one official for every six people — accounts for 40,000 million rubles per year, whereas its "contribution" to the national income is only 20,000 million rubles per year. Gorbachev is concerned over the fact that the enterprise managers are blocked from maximising profits, as a result of bureaucratic norms controlling production. Along with this, the bureaucracy also breeds and shelters an all pervasive growth of corruption and black marketing.

Gorbachev does touch on some of the factors underlying the crisis in Soviet society, its lagging behind the West bloc in science and technological development and its failure to resolve its longstanding agricultural stagnation. But he stops short of examining why these factors have come to dominate. After all, one cannot say that there has been no "intensive" development of the sort Gorbachev wants in the Soviet Union. For example, the U.S. bloc technologists generally accept that Soviet space technology is a world leader. It has also built up an efficient defence industry.

So the problem is not really one of a lack of "intensive" development, as Gorbachev claims, but of lopsided development. Then the question of the bureaucracy is not a new one. In the 1960s itself, a

number of measures had been implemented by Kosygin as part of establishing the supremacy of profit. The role of the plan had been curtailed and its content had been transformed into that of making profit the main criterion of plan fulfillment. Why does Gorbachev have to repeatedly stress all this even 20 years later? To understand the root causes of the crisis in Soviet society we must try to analyse the particular factors which have obstructed the free development or implementation of the capitalist reforms of the mid-1960s. The Soviet ideologues have a ready answer: inertia and lack of political will. But these answers only expose the bankruptcy of their outlook which forces them to cover up material causes. The bureaucratic structure and lopsided development continued to exist in the Soviet Union for so long because it served the needs of the new Soviet military class. These needs were not simply related to their position within the Soviet Union, but were given by the imperialist role of the new Soviet bourgeoisie. Hence to understand both the failures of the capitalist reforms of the past and the acceptance of Gorbachev's reform package today, we must look at the changes in the opportunities and limitations faced by the Soviet bourgeoisie in relation to the global imperialist system.

The Wolf at the Back Door

Gorbachev quite openly accepts that the decisions of the 20th Congress of the Communist Party of the Soviet Union (CPSU) held under Khrushchev's leadership had paved the way for a "new awakening" of Soviet society. As we noted earlier, Gorbachev's reform packages and his political views on international and Soviet development are very similar to those of Khrushchev. But Khrushchev was quite unceremoniously thrown out by the Soviet leadership in the early 1960s. The usual reasons given for this, even today, are Khrushchev's haphazard methods of dealing with the problems of Soviet society and his "adventurism" in international relations. But apart from individual

characteristics, some deeper questions were involved.

When the new Soviet bourgeoisie seized power in the late 1950s, it was faced with a world situation where U.S. imperialism dominated all the lifelines of the imperialist system. The Soviet bourgeoisie was too weak to challenge this outright and faced the task of building up its strength without openly confronting the U.S. This was the essence of Khrushchev's policy of "three peacefuls" — peaceful coexistence, peaceful competition and peaceful transition. In return for ensuring that revolution was removed from the agenda in the oppressed nations and imperialist countries (ie, peaceful transition), the Soviet bourgeoisie wanted an opportunity to participate in the imperialist plunder along with the other predators. But like all other capitalist powers, it aspired to gain hegemony and also had the task of seizing on the weaknesses of its rivals to penetrate the neocolonies of the third world. Hence within the ambit of collusion with the U.S. bloc imperialists, the Soviet Union used all opportunities to widen its sphere of domination and tried to assert its power vis-a-vis the U.S. bloc. Within the neocolonies, it gave unabashed support to the local reactionary regimes and opposed revolutionary forces because the growth of revolutionary national liberation movements threatened to blow up its scheme of "peaceful competition" to plunder the oppressed nations. But this phase of "three peacefuls" could not last long. The appetite of the Soviet bourgeoisie was growing. Moreover, the heavy blows inflicted on the U.S. imperialists by the high tide of national liberation struggles, with Vietnam in the forefront, created a new opportunity for the Soviet ruling class to initiate the change in its role from that of a tame partner to that of an aggressive contender. A new leadership capable of projecting this role was called for and Khrushchev had to go as part of this shift.

The invasion of Czechoslovakia in 1968 was the first open declaration by the new Soviet bourgeoisie of its imperialist plans. Simultaneously, the Soviet Union now came

out as a resolute friend of the oppressed peoples. As Mao put it metaphorically, it was the wolf at the back door trying to utilise the struggle of the oppressed people against U.S. imperialism and its allies to penetrate and subvert the liberation movements for its imperialist ends. Along with this, more and more emphasis was laid on achieving parity with the U.S. in the nuclear arms race, since this above all determines imperialist penetrations in the contemporary world. This was the period of Brezhnev's doctrine of "limited sovereignty", when the East bloc countries were firmly controlled as the support base of social-imperialism and attempts were made to incorporate more countries through treaties (like the Indo-Soviet treaty) and other means into this bloc. The rapid decline of U.S. imperialism, starting from the late 1960s, as a result of advances made by the revolutionary struggles in the oppressed nations and the growing economic crisis of the neocolonial structure built up in the post-World War 2 period, gave abundant opportunities for the Soviet bourgeoisie to make significant advances in its aggressive designs.

The 1970s produced "detente", an acceptance of peaceful coexistence between the two blocs. But this was qualitatively different from the peaceful coexistence of Khrushchev's time. Now it was a reflection of the parity in nuclear weapons between the chieftains of the two blocs and of the weakened state of the U.S. imperialists. And the Soviets were seeing this as a temporary stage preceding their taking over the position of the most powerful imperialist predator. In the 25th Congress of the CPSU held in 1976, Brezhnev arrogantly declared that "life has refuted all inventions about the freezing of the status quo". Using the double speak of "class struggle" for Soviet social-imperialist contention and aggression, he stated that detente "does not in the slightest abolish and cannot abolish or alter the laws of class struggle".

The Soviet bourgeoisie was riding high in its wild ambitions. But meanwhile the very measures it had

adopted to take up its aggressive stance had started to push it into a deep structural crisis threatening to subvert its capacity to realise its ambitions of conquering world hegemony. Within the Soviet Union, the striving to compete on equal terms with the U.S. in the nuclear arms race and build up a military strike capacity laid a strong basis for the growth and overriding role of the bureaucratic-military combine, a development which checked the possibility of the free unfolding of capitalist growth desired by the Soviet bourgeoisie.

Consolidation of the Bureaucratic Class

Gorbachev's consolidation of power has also seen a torrent of attacks on Stalin. As a rule they are far more obnoxious than those of Khrushchev's times and centre on characterising Stalin as a blood-thirsty, insane despot. But even in the midst of the hate campaign the Soviet ideologues steadfastly maintain the role Stalin played in developing the Soviet Union as an industrial power. This contradiction has nothing to do with a so-called impartial, objective analysis. Rather it is related to the fact that the very way in which this industrialisation took place prepared the breeding ground for the growth of the Soviet bureaucratic class. Even while Gorbachev loses no opportunity to attack "command methods of economic management" to which the bureaucracy is accustomed, he is careful to assert that at that time "no other course could have been taken".

The development strategy adopted under Stalin centred on a one-sided emphasis on centralisation, one-man management and a great degree of dependence on material incentives. The relations between heavy and light industry and industry and agriculture were not handled properly. The tendency of equating development in a backward economy to rapid growth of heavy industry led to a lopsidedness in which agriculture lagged behind and was squeezed to serve as a centre of accumulation for industrialisation. These errors in economic affairs

were accompanied by political shortcomings also. On the one hand Stalin minimised and even denied the continuing class struggle in a socialist society. On the other hand, this objective reality, which asserted itself throughout the struggle to transform Soviet society, could not be ignored and was dealt with by relying more and more on the state apparatus. While the task of continuously raising the political consciousness of the masses was sidetracked, the role of the state apparatus and the bureaucracy kept on growing. (Stalin later on admitted the existence of class struggle. But this realisation was not based on an overall evaluation of the past errors.) Without denying the isolation of the world's first socialist state, without denying historical limitations and the tremendous achievements of the Soviet Union under Stalin's leadership, it is necessary to recognise that the path of development followed by him was not "the only possible one" and that it reflected serious errors in outlook and method. The fact that Mao had to settle accounts with this path as part of his struggle against the capitalist roaders in China is notable.

The bureaucratic class which emerged in the Soviet Union during the pre-Second World War period consolidated its grip in the war period. As soon as Stalin died it emerged into the open and usurped power. As a class it was faced with a contradictory situation. The existing state-economic structure, rid of its proletarian content, suited the bureaucratic class because it ensured its prime position and domination. But the need to develop the economy on capitalist lines, firmly establishing profit in command, inevitably called for reforms. This contradiction has been a main topic of debate within the Soviet ruling class since Khrushchev's time. The immediate need of this class to establish its hegemony on a world scale ultimately decided the outcome of this debate.

Though from concerns totally contradictory to those faced by the Soviet leadership under Stalin, the new Soviet ruling class was faced with a situation where it too had to

catch up with the Western imperialist bloc, and particularly with the U.S., in the shortest time possible. Since its concern was that of becoming capable of imperialist contention and domination, this urgent task was primarily concentrated in the military field. Material and human resources were concentrated for a rapid build-up of the military. This situation was only outwardly similar to the one faced by the new Soviet state under Stalin in conditions of imperialist encirclement. Now, the re-establishment of an exploitative system meant that a weak economy had to support not only the need to boost up a specific sector but also generate surplus to support the parasitic needs of the new ruling class. The particular position of the Soviet Union exacerbated this situation even more. Unlike imperialist powers like Japan or Germany, it could not benefit from any large influx of foreign capital. The nature of the bloc it controlled made a high degree of centralisation inevitable. To be a superpower it had to be the sole power within its bloc. The contradiction between satisfying the demands of a rapid pace of militarisation mainly on its own and the comparatively weak economic base ultimately meant a continuation of forced accumulation and check over the necessities of the other sections and the masses. The bureaucratic structure had to be maintained and even strengthened further. The reversal of the 1965 Kosygin reforms, which to a large extent resembled Gorbachev's plans, was determined by this.

Inner Barriers to Growth

The Soviet ruling class could succeed in its ambitions to achieve superpower status, but at a heavy cost which intensified the contradictions in Soviet society. (Incidentally, in evaluating this period Gorbachev once again reveals the continuity of interests of the bureaucratic class. He is all praise for the achievement of nuclear parity which symbolised the emergence of the Soviet Union as a superpower, though he is critical of the very command methods of economic management that made it possible!) The growth of the

bureaucratic class and its parasitic feeding on the surplus of society engendered the widespread growth of corruption and black marketing. Since property is public in the formal sense, private appropriation in the normal capitalist form is also legally impossible. Corruption and the utilisation of state property for private gain was the only form in which this problem could be resolved. The extent of this specific form of surplus appropriation, inevitable in a bureaucratized state which maintains a socialist facade, is enormous. According to recent estimates of a leading Soviet economist, Tatyana Koryagin, the illegal economy in the Soviet Union is worth nearly U.S.\$ 145 billion. Fifteen to 20 years ago it was estimated to be around U.S.\$ 8 billion. (*Times of India*, 15 August 1988) The unavoidable growth of corruption perpetually affected the capacity of the Soviet rulers to direct the economy as they wished. The understatement of production capacity and exaggerated demands for raw materials by Soviet factory managers has often been noted by critics of the Soviet system. Bureaucratic and unscientific methods of planning and fixing production targets and the effort of factory managers to play safe by ensuring plan implementation through reporting lower capacities is no doubt an important reason underlying this state of affairs. Since the management bonus was linked to fulfillment and overfulfillment of targets given from above, the managers had all the more reason to resort to this practice. But apart from this, understatement of production capacities is also linked to the utilisation of unstated capacity and excess raw materials for production and marketing in the black economy. In other words, the specific form of private appropriation possible in Soviet society laid its stamp here also.

The growth of a parasitic class and the generalisation of corruption, or the appropriation of legally social property for private gain, as the specific form of private exploitation, found its reflection in a collapse of moral standards, the growth of a cynical rob-as-you-can

attitude and degeneration of the ruling class itself. The mode of surplus appropriation of its individual agents was increasingly coming into conflict with the capacity of the class as a whole to manage and develop the economy to suit its imperialist ambitions.

In a capitalist society the capitalist's ceaseless drive to increase his profit drives him to accumulate, invest and continuously develop the productive forces. This is given by capital's "...*necessary tendency*, since it strives limitlessly for surplus labour, surplus productivity, surplus consumption, etc.", as Marx put it. (*Grundrisse*, p. 413) (This essential characteristic of capital appears as the competition of many capitals in a capitalist society, forcefully reminding the capitalist of the needs of capital as an exploitative relation.) Thus his private appropriation and the constant drive to increase it is also at the same time a spur to expand the economy. The transformation of the Soviet economy into a state monopolist one has brought in its wake capitalist values of personal aggrandisement and competition. This competition is manifested at the level of production associations and departments in the form of conflicting demands on a greater share and control of state resources. But while increased exploitation and appropriation by various sections of the bureaucratic class, as each tries to be more capable of competing with the others, will be a spur to expand production, private appropriation, which is basic to every agent of an exploiting class, does not have any such role in Soviet society. It is solely oriented to consumption. One may point out that the production bonuses of the factory managers and so on form precisely such a link between personal gain and the expansion of production. But this state-legitimised form of appropriation can hardly compete with the best possibilities for "illegal" gain. And once individual gain is sanctified and profit is put in command, one cannot expect an agent of exploitation to make a moral distinction between the different forms of appropriation open to him.

While the heavily bureaucratized

state monopolist structure dampened the dynamic of economic development and induced the growth of trends which constantly upset its planned expansion, the rapid build-up of the defence and related sectors intensified the lopsidedness in the economy. Gorbachev admits this in one of his speeches: "... what I saw (at Baikonour Soviet space launch centre) offered a striking contrast that had grown acute in the past few years, between development levels in different branches of the Soviet economy... the gap originated for objective reasons. The state had to concentrate its resources in particular fields so as to resolve the most crucial tasks at once. These included development of heavy industry, consolidation of the defence capabilities of the country and attainment of military parity with the United States..." (Soviet Review No. 23, 1987, p. 24)

This lopsided fixing of priorities intensified the existing problems of stagnant agricultural growth. While there was a spurt in grain production in the 1960s, it has remained stagnant ever since. The demands for grain had to be met by imports entailing an outflux of foreign exchange. Constraints on the resources position, in a context of overall decline of economic growth, were sought to be overcome by exporting the rich natural resources of the Soviet Union on a larger and larger scale. (Even now oil, gas and electricity account for 46.5% of Soviet exports.) This in turn brought about exorbitant outlays for building up the fuel and energy branches, thus introducing new aspects of lopsidedness.

The lopsidedness in the economy as a whole was also reflected in the growing unevenness and division of labour between the different national republics in the Soviet Union. While modern industry was concentrated in the European nationalities, the Asian ones have mainly remained as producers of raw material. The growing conflicts this gave rise to were papered over during the Brezhnev period by giving a free hand to the bureaucratic class in these nationalities to enrich themselves by all means and heavily subsidizing consumption needs.

These internal barriers to growth were manifested in the stagnation and decline of the Soviet economy. In the 1960s there was a spurt in growth induced by some of the partial reforms and the concentration of capital in the form of production associations which dominated different industrial sectors. But from the 1970s the barriers to growth started to make their presence clearly felt. According to the estimates of a Soviet economist, Aganbegyan, the growth of national income between 1978-1980 was just 2% and during 1981-1985 the national income did not grow at all. (Hindu, 6 September 1988) The decline of the Soviet economy was seriously coming into conflict with its capacity to expand its global domination.

External barriers

By the late 1960s, the Soviet Union had started to push out aggressively, utilising the decline of U.S. imperialism. It heightened its political and economic grip over the East European countries and made significant headway in penetrating and consolidating its position in some crucial Third World neocolonies like India. Using the banner of supporting national liberation struggles, it penetrated and subverted them to achieve domination in Angola and Mozambique. By the late 1970s, the social-imperialists had started dropping such indirect methods. They resorted to open aggression and intervention, either directly or through proxies. The stationing of Cuban and East German troops in Angola and Ethiopia, the Vietnamese aggression in Kampuchea and finally the Soviet invasion of Afghanistan were examples of this. This was a time when the weaknesses of social-imperialism were also being revealed, even while this aggressive thrust was growing. For example, despite gaining domination in a country like Angola, previously under Portuguese control, the Soviet imperialists were forced to accept the continuation of a significant role for the U.S. bloc in the exploitation of its natural resources. The economic crisis hitting its satellites in East Europe

forced them (and also the Soviet Union) to go in for larger and larger doses of loans from the U.S.-bloc controlled International Monetary Fund (IMF)/World Bank (WB) as well as private bankers. Yet the rapid advance of Soviet hegemony served to play down the implications of such developments. The contradictions of social-imperialism burst out with full force following its invasion of Afghanistan.

Afghanistan became a vicious trap for the social-imperialists just as much as Vietnam had been one for the U.S. For the first time, they were meeting head on with the fierce resistance of an oppressed people. Crushing this resistance became a key question for the social-imperialists because the capacity to enforce their writ in the oppressed nations ultimately determined whether the ambition of gaining world hegemony could be realised or not. In the process, the lopsidedness within the Soviet economy further intensified, as seen in Poland where the capacity of the social-imperialists to throw in their armed force to crush rebellion within the satellite countries of East Europe was itself seriously hampered and the "socialist ally" mask which they had successfully exploited till then was severely damaged. At the same time, for the U.S., the Afghan developments established the efficacy of hitting back at their rival by using its own tactics of penetrating and subverting the liberation movements of the oppressed people. While the Soviet bourgeoisie tried to face up to this serious challenge, its positions in the third world at large, even in countries like India, were being eroded by the growing crisis of neocolonialism as a whole.

Neocolonial relations which determine the shape of the world economy at present came into being at a time when the U.S. was the sole hegemonic imperialist power. During the past decades this position of the U.S. has deteriorated to a great extent, but present-day neocolonial relations and key institutions such as the IMF and the WB which regulate them still bear the stamp of the past. The social-imperialists' lack of access to such institutions forced them to direct their penetration via

bilateral state-to-state relations and special treaties. The Soviet bourgeoisie had established the IBEC in the 1960s and the IIB in the 1970s, with the ambition of promoting them as key institutions of its finance capital in contention with the IMF and WB. But they remained limited to the Soviet bloc countries and also proved to be ineffective in replacing the role of the IMF/WB within this bloc itself. The limitations of the neocolonial relations which the Soviet bourgeoisie tried to build up under its exclusive control were fully revealed with the crisis it faced. It was still out-matched by the U.S. bloc. When the global neocolonial crisis hit the Third World in all its severity, neocolonies which were mainly within the Soviet orbit were forced to gravitate towards closer economic ties with the U.S. bloc, via the IMF/WB restructuring programme. This shift necessarily led to a weakening of the political influence of the Soviet imperialists. The economic crisis within the Soviet Union itself prevented it from stepping up with its finance capital and keeping such countries firmly within its fold.

The Response

The internal and external barriers to the realisation of the Soviet bourgeoisie's hegemonistic ambitions had started to express themselves with all force by the 1980s. From a position of unchecked advance it had now reverted to a position of desperately struggling to retain the foothold it had secured in the neocolonial system. And it was becoming quite clear to the Soviet rulers that the defensive struggle could only weaken its position. Decisive action was called for. Thus the 1980s saw the rapid growth of imperialist rivalry even while the contradiction of the imperialists as a whole with the oppressed people intensified ever more and expressed itself in numerous revolts and upsurges. The crisis of the social-imperialist system could not (and cannot) be resolved through internal measures limited to the Soviet Union alone, since this crisis was the result of its transformation into an

imperialist power. It was a crisis of the state monopoly capitalist system there. But due to the external factors we have already mentioned, the social-imperialists also could not fully draw on the hegemonic bloc they had already built up to even mitigate this crisis. The question of hegemony had to be settled at a global level. The national resistance of the oppressed peoples directly challenging Soviet imperialism had to be crushed and the rival superpower had to be defeated. A world war was the apparent solution. The heightening imperialist rivalry and war preparations seemed to show that both the blocs had come to this conclusion, since both were equally faced with the vital need of restructuring. The logic of the imperialist system, as understood by the orthodox theory, also seemed to confirm that this was inevitable, not merely as a possibility but as an imminent event.

Yet the recent turn in inter-imperialist relations reveals that reality was quite at variance with this image. Instead of the logically expected war, or a more rapid drive towards it, inter-imperialist contention has eased up in a significant manner and collusion is becoming more marked. Leaving aside Gorbachev's hollow claim of being THE saviour of world peace, we must still accept the undeniable fact that perestroika has played a crucial role in this turn of events. Why did the Soviet ruling class adopt perestroika and consequently an easing of contention as its *immediate* response to the grave situation it faced instead of intensifying contention and going for a world war? Among Marxist-Leninists, answers to this question raised by the logic of events have been quite varied.¹ Some have preferred to dismiss it as deception, a tactic meant to throw the rival bloc into confusion and gain the sympathy of world public opinion. Some others have preferred to evade the question by pointing out that perestroika has not changed the imperialist nature of the Soviet Union or that its war machinery is still being perfected and strengthened. As a corollary to this, the turn to perestroika is seen as a short term measure to tackle the

Soviet Union's socio-economic crisis, because this had become an obstacle to its war plans. But this is a self-defeating argument. The necessity of war as an imminent step was originally seen to be caused precisely by this crisis and was seen as the only way out of it. Obviously, crisis cannot then be seen as an obstacle to war and there can be no room for developments like Gorbachev's perestroika. The problem involved is actually one of grasping the relation between imperialist crisis and war in the concrete conditions of neocolonialism.

Perestroika is *possible* because of the particularity of neocolonialism, because territorial redivision of the world is not a pressing necessity before the imperialist powers and they can penetrate each other's sphere of influence through economic means and local or proxy wars. In this situation, Gorbachev can conceive of advancing social-imperialist interests precisely by integrating the Soviet Union fully with the existing neocolonial relations which still bear the stamp of U.S. hegemony, instead of pressing for an immediate challenge to this hegemony and an immediate restructuring of these relations. It is wrong to think that the Soviet rulers' new stance in international relations, particularly its initiative to ease its contention with the U.S. bloc, is just meant to gain time and favourable conditions for internal restructuring. *Perestroika is a global response of the Soviet ruling class and this international stance is an essential part of it.* In this sense, though Gorbachev's theories on peaceful coexistence and the "interrelated, interdependent and integral" nature of the contemporary world are quite similar to Khrushchev's "three peacefuls", they represent a basic shift in Soviet ruling class perceptions of the opportunities for expression presented by the neocolonial system. This is why Gorbachev commented that, "... while concentrating enormous funds and attention on the military aspect of countering imperialism... (the Soviet Union)... did not always make use of the political opportunities opened up by the fundamental changes in the world..." (*Documents and Materials of the*

19th Conference, Novosti Press, p. 31)

While neocolonialism holds out the possibility of a response like perestroika, its viability is assessed by the Soviet ruling class on the basis of the configuration of forces in the world today. The growing disparity between the military might of the U.S. and its economic decline, the growth of Japan as the leading economic power, the explosive situation created by the debt crisis and the overall financial crisis of the imperialist system, the growing pressure of Third World comprador regimes for relief and a better deal — all these factors are pressing inexorably towards a recasting of existing neocolonial relations shaped by the post-World War 2 global situation. By fully integrating the Soviet bloc within the existing framework, the social-imperialists hope to utilise this situation of flux. Despite being in a weak economic position, it still has the capacity to assert itself and influence the outcome, without necessarily resorting to its military. By pledging to play the neocolonial game, according to mutually accepted rules, above all by willingly cooperating with the other imperialist powers to tackle the powerful challenge of the growing tide of rebellion in the oppressed nations, it is offering a bargain which is acceptable to the others in the present situation. It is not the case that the imperialist powers have suddenly woken up to the horrors of war and have turned into pacifists. Contention remains, because ultimately the question of hegemony has to be settled. But, for the present, the damage of the rebellion of the oppressed exploding with all its force compels the imperialist powers to carry out this contention within the growing ambit of collusion. This is not a static situation. Neither the social-imperialists nor the other imperialist powers can remain happy with their given positions. The very nature of capital forces them to expand their zones of plunder and hence to expand their zones of domination. Since the interests (or appetite for plunder) of imperialist powers keep growing and are realistically determined at each period by the power it can

muster, Gorbachev's call for rebuilding of the international currency and financial systems under the supervision of the United Nations so as to take into "due account the interests of all states" meets both the immediate as well as long term needs of social-imperialism.

Perestroika in Practice

Perestroika in international issues is based on the approach outlined by Gorbachev in his report on the 70th anniversary of the October Revolution: "...developed capitalism... will be unable to do without these countries' [ie, Third World countries — ML] national resources. That is an objective fact. The calls for severing the historically shaped world economic ties are dangerous and offer no solution." (*The October Revolution and Perestroika*, Novosti Press, 1987, p. 66) This outlook is expressed even more precisely in the following words: "We do not want to undermine the interests of the Americans in the world or to disrupt the existing world economic ties." (*Soviet Review*, No. 33, 1987, p. 8) The ongoing efforts to settle the conflicts in Afghanistan, Kampuchea, Angola and Palestine, the joint efforts with the U.S. bloc during the crisis in the Persian Gulf, the attempts to recast policy on the Azanian (South Africa) question so that "the most successful economy [in Africa — ML], which is in South Africa", is not destroyed, the proposal for an Asia-Pacific Conference launched through Gorbachev's Vladivostock speech, the efforts to join the Asian Development Bank (ADB), IMF/WB and the General Agreement on Trade and Tariffs (GATT), and the Warsaw treaty proposals on tackling the debt crisis, are all part of this basic outlook. They do not merely reflect a desire on the part of the Soviet bourgeoisie to disengage itself from external conflicts in order to concentrate on internal restructuring. More important than this is the active effort to get integrated as a "responsible" partner in the existing neocolonial framework. Among the numerous initiatives and proposals of Gorbachev, his plans for the Asia-Pacific rim

region hold a special place. This is the area which is fast developing as a critical hub of imperialist trade and manufacturing. It is estimated that two-thirds of today's world gross national product exists within the Asia-Pacific rim. The leading imperialist economic power, Japan; the fast growing neocolonies — South Korea, Hong Kong, Singapore and Taiwan; the major Asian power, China; and the U.S. and the Soviet Union are ringed around this zone. The possibilities of manoeuvring and advancing Soviet interests by utilising the contradictions between the different imperialist powers of the U.S. bloc is presented fully in this zone and Gorbachev is eager to exploit it. Over the past years, the Soviet Union has significantly advanced its political, economic and military interests in this region. It has established ties with most of the South Pacific island republics and entered into long term fishing rights agreements with some of them. Its naval presence has also multiplied from a fleet of 200 ships in the 1960s to 500, containing the best of its naval warships and submarines. But this military build-up is not the major weapon it plans to use immediately, though it is essential to back up its claim to be a Pacific power. Rather, the vast resources of Siberia are being held out as a bargaining chip to make the Asia-Pacific zone truly "inter-related". Mending relations with Japan and China has a special place in this scheme. The eagerness of the Soviets to establish closer ties with Japan can be gauged from a recent article on Soviet-Japanese relations in *New Times* (No. 45), which openly calls for a public debate on the benefits of retaining the Sakhalin Islands at the cost of a deadlock in relations between the two countries. In his Vladivostock speech, Gorbachev made a revealing observation on the Asia-Pacific zone: "Everything is in motion here, far from everything has settled."

At the other end, the Soviet Union is keenly pursuing a closer relation with the West European powers, mainly West Germany and France. Gorbachev has tried to promote the Soviet scheme under the

slogan of a "Common European Home." The Eurocentrism of the Soviet rulers and their cynical, inhuman outlook towards the oppressed nations is revealed most fully in their arguments to realise their plans for a closer relation with the West European imperialist powers. Since Europe has been a key arena of inter-bloc military postures and threats, the Soviets have made disarmament or at least a large scaling-down of forces their bargaining chip. They point out that, "Even a conventional war would be fatal" in Europe with its high density of nuclear and chemical industries and would destroy the "common home" of the social-imperialists and other powers. So war as a continuation of politics "has become obsolete for Europe", though it is still quite active in the oppressed nations! The message is quite clear — let us keep peace in our "common home" and, if necessary, fight out our battles in the oppressed nations, preferably at their own expense.

In the economic sphere, perestroika amounts to a full-fledged turn to capitalist profit-seeking on the basis of a greater concentration of finance capital. This concentration is sought to be achieved through two means. On the one hand, the enterprises directly controlled by the centre are to be drastically reduced from 37,000 to "several" thousands, and they are going to be reorganised as "sectoral, inter-branch and territorial-branch and amalgamations capable of implementing the entire cycle of work — research, investments, production, marketing and maintenance." The remaining enterprises, medium and small enterprises including cooperatives, will have the role of serving the needs of these large amalgamations as well as catering to the local market. (*Soviet Land Documents*, p. 52) Simultaneously, the central bank has been divided and attached to the concerned industrial, agricultural and service sectors. It is on the basis of this qualitative leap in the centralisation of finance capital that the legalisation of the hitherto illegal service trade and manufacturing is being carried out.

It can easily be seen that this plan

of reorganisation does not indicate any abdication of control by the Soviet ruling class. This control is going to be more polished and efficient and its social base is going to be enlarged by leaving room for private enterprise in industry, agriculture and service. Price reforms and giving free play to market forces to determine prices through competition does not contradict this because the state will still be retaining control over decisive assets and instruments to influence the economy. The conversion of not only consumer goods but also capital goods (means of production) into commodities, directing trading between enterprises, instead of routing it through the planning bodies, full scope for profit, price reforms, reducing the role of the plan to defining long-term objectives and priorities, enlarging the scope of the market and accepting it as a form of "democratic supervision" of the plan, utilising the New Economic Policy (NEP) to camouflage all these steps as a "return to Leninism" — there is nothing original in any of these measures. All of them were already debated and some partially adopted during the mid-1960s reform. What is new is the leap in the level of centralisation of finance capital (modelled on existing multinationals) and granting a large scope for private or local enterprise within the limits of this centralisation and serving its needs.

The dismantling of the state monopoly in foreign trade/investment and giving the large amalgamations the right to directly enter into collaborations with other imperialist multinationals is in keeping with this plan. This decision does not just reflect the desire to attract capital and technology from the other imperialist powers in order to raise the efficiency of Soviet enterprises, though this is an important objective. It has the larger aim of achieving integration within the existing neocolonial framework. Meanwhile the Soviet bourgeoisie is pressing for shifting the focus of the economic relations between it and the COMECON countries from trade to joint enterprises so as to strengthen the base of the multinational concerns it is aiming at establishing.

The new economic restructuring programme also tackles the existing division of labour between the various national republics. So far, manufacturing industries have been concentrated in the European republics, principally Russia, and the extractive industries have been centred in the Asian republics, which have mainly served the role of an industrial and agricultural materials producer. This arrangement has so far been favourable to the Soviet bourgeoisie centred in the dominant Russian nation. Now it is to be reorganised so that while the industrial sector in Russia will be renovated at a higher level of technology, the backward republics will undergo a new round of industrialisation so as to make them more capable of meeting the local needs.

The political reforms being implemented, ie, the shift to a presidential system, which will enormously raise the powers of the centre, and glasnost, mirror the thrust in the economic restructuring. As Gorbachev has frankly commented, glasnost is meant to make cost-accounting a success. These reforms have certainly given more room for dissent to come out into the open. But as soon as the ruling class saw the direction it was taking, they have enacted new plans which strictly control all public activity. Naturally, this control is selective. While groups protesting against various state policies have been harassed, notorious anti-Semitic, Russian chauvinist groupings like Pamyat have been treated with kid gloves. The democracy of the bourgeoisie cannot be anything else.

Prospects of Perestroika

Gorbachev and other representatives of the Soviet bourgeoisie have grand dreams about their future. All of them hinge on the belief that the oppressed people of the world and the proletariat and oppressed nations within the Soviet Union will somehow remain passive while they build up their integrated world in company with their new-found imperialist friends. Afghanistan is already giving them a taste of what is really going to happen. The situation in the Soviet Union is not much

different. It cannot be, because while perestroika holds out a glowing future to the upper strata of the middle class and new-born small capitalists, the prospect for the working class is large-scale retrenchment and erosion of its standard of living, due to price rises. The extent of retrenchment in production sectors alone is estimated to affect three million workers during the current plan period itself. (*Soviet Review*, No. 7, 1988, p. 20) While Gorbachev is eloquent about the rich quality of life perestroika will offer, his prescription for the worker is quite different. It is to "... resolutely establish order, improve organisation, tighten discipline and boost the working people's initiative [ie, production — ML]." (*Soviet Review*, No. 42, 1987, p. 9)

While order and discipline is being dinned into the workers' ears, the "... egalitarian justice that has taken root in mass consciousness" (one more of Stalin's crimes in the eyes of the Soviet bourgeoisie) is targeted as a major "stumbling block for perestroika."

The Soviet bourgeoisie is aware of the sharpening contradictions in society. Thus their ideologues note that the new economic management system is making the difference between managers and workers more visible and state that, "The division into 'we' and 'they' leads to serious consequences." (*Moscow News*, No. 25, 1987) Some of these consequences have already made themselves felt through workers' strikes and attacks on exploiters. As perestroika unfolds, such "consequences" are also bound to multiply.

The division into "we" and "they" is not limited to the classes in contemporary Soviet society. It is present in full force among the national republics which make it up. As reports indicate, the national contradictions in the Soviet Union, basically determined by the contradiction between the dominant Russian bourgeoisie and the oppressed peoples, are getting intensified with perestroika. The specific demands and contradictions propelling the national movements vary, but common to all of them is a recognition that perestroika means

greater centralisation and further loss of autonomy. The first steps in this centralisation had been carried out with the removal of leading party functionaries from the concerned nationalities under an anti-corruption drive and their replacement with trusted Russians. Now the new constitutional reforms, reportedly removing the formal right of secession and giving sweeping powers to the president, seek to institutionalise it. The Baltic republics and Georgia have already raised the banner of opposition to the reforms and quite certainly this contradiction will heat up in the future.

Gorbachev has repeatedly declared that the Soviet bourgeoisie will play the neocolonial game of plunder strictly abiding by the rules. But this is itself a slippery field. The rules of inter-imperialist relations are quite elastic because each one of them is out to gain the most. The global crisis forces them to be even more reckless and disregard consequences. While the U.S. bloc powers have generally welcomed perestroika, they are also pushing to gain maximum advantage. Besides, conflicts in the Third World are not totally under their control so that they can stop them at will. On the other hand, the Soviet bourgeoisie itself cannot remain passive and surrender its hard-won gains unilaterally. A failure to make the Afghan accord stick, or a move by one of the COMECON countries to make the most of glasnost and move closer to the U.S. bloc — any such development will have tremendous repercussions within the Soviet Union. It is not just that Gorbachev might be pushed out. The defeat will be one affecting the Soviet ruling class as a whole, exposing all its weaknesses and encouraging more determined struggles against it, because a return to the old style social-fascism will not be easy now.

Footnote

1. Incidentally, the question of why the new born imperialist power faced with a greater necessity of waging a world war for redivision has itself taken the initiative to de-escalate the war drive demands an answer from those who still maintain the correctness of the concepts underlying the Three Worlds Theory.

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