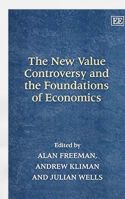


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## 13 Socialism and Value Categories in Early Soviet Doctrine: Lenin, Trotsky, Bukharin, Preobrazhensky

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### 13.1 INTRODUCTION

The early period of soviet rule in Russia was marked by rich discussions on the theoretical as well as policy issues concerning socialist construction. For the purpose of this chapter, we leave aside the policy discussions (as well as the actual policies pursued) and instead review briefly the relevant *theoretical* reflections of Lenin, Trotsky, Bukharin, and Preobrazhensky, in this respect perhaps the most important soviet spokespersons of the epoch, in order to have a representative idea of the contemporary soviet concept of socialism. Of these four authors the last two discuss the relation of value categories to socialism more specifically. Dealing with their positions successively, we will review their analyses in the light of Marx's relevant categories, which always served as the conceptual reference points of these authors.

### 13.2 LENIN

Lenin's image of socialism became increasingly laid bare starting a few months before the seizure of power. His discussion of socialism as a pure theoretical category is developed in, and in fact mostly confined to, his *State and Revolution*, a work that remained unfinished. However, from time to time, theoretical formulations on socialism do appear in his post-October writings devoted to the concrete problems of socialist construction.

Lenin distinguishes socialism from communism equating them, respectively, with Marx's first and second phase of communism (Lenin 1963b:280; 1982a:42, 301–2, 305; 1982b:530, 541–2). Secondly, Lenin conceives socialism basically in terms of property relations rather than relations of production. For him socialism is 'social ownership' in the means of production, and social ownership is taken to be the equivalent of the abolition of 'private ownership'. The

latter ownership, again, is defined as ownership by 'separate persons'. Lenin further specifies that social ownership of the means of production signifies ownership of the means of production by the working-class state (1982a:300, 302, 669; 1982b:711, 712, 714).

Lenin's concept of socialism as such considerably impoverishes its emancipatory connotation in Marx. Not clearly envisaging it as an ensemble of new social *relations* of production constituting a free association, Lenin reduces socialism to a specific *property form* – namely (working-class) state ownership of the means of production through the elimination of *individual* private ownership – which he called 'social ownership' of the means of production. According to Marx, individual private property in the means of production tends to be superseded at a particular stage of capitalism itself without the means of production being thereby *socially appropriated*. Indeed, far from socialist property being identical to working-class state property, socialism excludes not only individual private property but also working class state property in the means of production. The very first phase of the association along with the social appropriation of the means of production arrives on the historical scene only at the end of the transformation period to which the working-class *state* belongs.

As for exchange relations, Lenin (1962:151, 1963a:121) excludes commodity production (and money) from socialism. The end of capitalism would signify the 'suppression' of commodity production, and the new society would be characterised by organised, statewide distribution of 'products' replacing commerce.

As regards the distribution of the means of consumption under socialism, Lenin's reflections are almost exclusively confined to the *State and Revolution* (Chapter V), upon which we draw in our present discussion.

On the division of the consumable part of the total social product among the individual producers in socialism – understood as the first phase of communism – Lenin mostly paraphrases Marx's *Gothakritik*. However, Lenin adds here a couple of ideas of his own that are not specifically Marx's. Referring to what Marx calls the (remaining) 'bourgeois right' in the first phase of communism, Lenin envisages the equality of 'labour and wage' for all citizens, now transformed into 'hired employees of the state' where, further, the enforcement of bourgeois right would, according to him, necessitate the presence of the 'bourgeois state'.

Let us examine Lenin's ideas on exchange and distribution under socialism. As regards exchange relations, Lenin basically follows Marx on the elimination of commodity–money relations in socialism. However, Lenin's position in this regard is not without ambiguity. He says that state factory products 'exchanged' against peasants' products are 'not commodities' (Lenin 1964a:275–6). Now, to the extent that products are exchanged taking the *value form*, they

are commodities, even in the elementary case of product against product, the 'simplest value expression' of commodities (Marx 1962:62). *A contrario*, already in the 'lower phase' of the new society (Lenin's 'socialism') 'producers do not exchange their products' (Marx 1966b:178).

As regards distribution in socialism, we first note that by envisaging the 'equality of labour and wage' for producers and regarding them as 'hired employees' of the state, Lenin in fact is introducing *wage labour* in socialism. The wage, as a specific form of labour remuneration, Marx shows, is unique to capitalism, and in the society of associated producers there is no wage system, denounced by Marx as a 'system of slavery' in the very text that Lenin paraphrases. The distribution of the means of consumption through labour tokens, as envisaged by Marx, has nothing to do with their distribution through wage remuneration. In the same way, the very idea of 'hired employees' contradicts the socialist character of society. Indeed, in his inaugural address to the International (1864), Marx expressly opposes (capitalism's) 'hired labour' to (socialism's) 'associated labour'.

Next, Lenin affirms the existence of state in socialism. First he speaks of 'state wide' distribution of products and of *socialist* exchange of 'state products' (Lenin 1963a:121; 1964a:275–6; 1964b:207). Again, as we mentioned above, he envisages the citizens under socialism as hired employees of the *state* who receive wages and, moreover, postulates a 'bourgeois state' (without the bourgeoisie) to enforce 'bourgeois right' in socialism. It should be clear that Lenin's position here is the opposite of Marx's.

For Marx the existence of the state contradicts the existence of the producers' *free* association. Even when socialism is equated with communism's first phase, there is no place here for the state. The first phase of communism starts only *after* the end of the transformation period, along with the end of the (proletarian) state itself which presided over it. The alleged necessity of a bourgeois state to enforce bourgeois right is unwarranted by Marx's texts and is only Lenin's own gloss on the *Gothakritik*.<sup>1</sup>

As regards the distribution of consumer goods in the new society, Marx speaks of it in alternative ways in various works referred to earlier. But *nowhere* does he bring in the state to enforce 'bourgeois right'. Whatever 'bourgeois right' remains in the sphere of distribution does not require a political apparatus to enforce it. Indeed, Marx specifically envisages *society* itself as distributing the labour tokens among its members along with the allocation of labour power and material means of production among different spheres of production. This is of course as it should be since, as the *Manifesto* affirms, public power in the new society no longer has a political character (Marx 1966b:178; 1973a:358).

On the whole – by obscuring the distinction between production and ownership relations; by equating the juridical abolition of individual (private)

ownership with the establishment of social ownership and identifying the latter with (proletarian) state ownership; by not eliminating the state and wage labour – Lenin's socialist economy turns out to be much closer to Lassalle and Kautsky's visions of a state-owned and -planned economy than to Marx's emancipatory project of 'union of free individuals'. Lenin ultimately does not seem to have succeeded in transcending the Second International's narrow horizon concerning the future society.

### 13.3 TROTSKY

Trotsky's soviet period being very short – effectively ending in the mid-twenties – most of his voluminous writings are outside the scope of our discussion. Even for this very short period, Trotsky did not write much on economic matters. It was mostly politics that engaged his attention. Again, unlike his two eminent contemporaries, Bukharin and Preobrazhensky, he did not write any particular treatise on the theoretical aspects of socialist construction. His relevant remarks of a theoretical nature were made mostly in connection with his analysis of concrete problems of socialist construction in Russia. He developed these remarks mainly in three works: *Terrorism and Communism* (1920), 'Report (on the NEP) to the 4th congress of the Comintern' (1922) and *New Course* (1923).

Trotsky's approach to socialism is *juridical*. In order to establish socialism the principal task is to win the fight against private capital, which means abolishing 'individual ownership' of the means of production. With the most important industries in the hands of the worker's state, capitalism and, with it, exploitation cease to exist (Trotsky 1963:187; 1972:245; 1984:226). It is interesting that the *same text* that asserts the *abolition* of capitalism through the elimination of individual private ownership also speaks of the ongoing struggle between 'state capital and private capital' as well as of state capital competing with private capital (Trotsky 1972:239, 245). The obvious inconsistency in Trotsky's position, of asserting the abolition of capitalism and the existence of capital at the same time, seems to follow from his insufficient understanding of capital (in Marx's sense).

For Trotsky (1963:243; 1972:233; 1984:226, 227) capitalism is the system of individual private ownership in the means of production and market regulation of the economy. That is, for him capital is a specific juridical form of ownership and not a social relation of production, at least not primarily. Not only that. Capital for Trotsky (1972:245, 270) seems to signify, in the second place, a *thing* inasmuch as he speaks of the soviet state's accumulation of fixed and circulating 'capital' through 'primitive socialist accumulation' when capitalism and exploitation are supposed to have been already eliminated. Natu-

rally for Trotsky socialism is far from being a (stateless) society of associated producers; it is basically the working class state power founded on the elimination of individual ownership of the means of production.

Again, precisely because capitalism is a market regulated economy the socialist economy is viewed as a centralised, directed economy in which a general plan would establish the current allocation of society's means of production and labour power among the different branches of the economy. The socialist economy is the planned 'state economy', where planning would mean abolition of the market (Trotsky 1984:229, 220–22).

Thus Trotsky's image of socialism directly follows from his specific concept of capitalism. Inasmuch as capitalism is conceived not primarily as a specific social (production) relation, but only in terms of a specific property form and a specific type of circulation, socialism is also envisaged not as a higher form of social relation but simply as the abolition of those forms of ownership and circulation. Here socialism as state ownership is opposed to individual ownership and, as a centrally planned economy, opposed to the market. In this perspective, socialism as free and associated labour is not opposed to capitalism as wage labour. There is absolutely no perspective of what Marx calls 'free union' in socialism as opposed to capitalism's separation (and alienation). More than anything else, what is most important to Trotsky is the 'class nature' of the state. If the state is in the hands of the working class – that is, of what is supposed to be its party – then, in spite of the presence of commodity categories and wage labour, there is no exploitation and thus no capitalism, although the latter's 'forms' still persist, where those 'forms' refer to the 'methods and institutions' created by capitalism (Trotsky 1963:256–8; 1972:233, 245, 271–2).<sup>2</sup> Clearly rationalising the New Economic Policy, Trotsky insists that every workers' state on its way to socialism has to use the methods and organisational forms of capitalism like money, banks, exchange, which of course does not involve any exploitation (Trotsky 1972:272, 274).

That by socialism Trotsky is far from meaning an association of free labourers is also seen from the way he envisages the organisation of labour and the allocation of labour power among the productive spheres of the new society. This distribution and this organisation are not effected by society itself, as in Marx; on the contrary, they are done by the *state* through its central planning. The whole process involves workers' subordination to the state and the latter's *coercive power* over the workers.<sup>3</sup> The way Trotsky conceives the character of labour under *socialism* is also clear from his debate with the Mensheviks. There he seems to conceive 'freedom' of labourers uniquely as this 'freedom' is understood in capitalism. Indeed, for him the Mensheviks' 'free' or 'non-coercive' labour signifies the freedom of sale and purchase of labour power as opposed to 'obligatory labour' supposed to prevail under socialism. Quite logically and clearly rationalising soviet practice, he holds, as against the

Mensheviks, that piece work or contract work, which are forms of exploitation under capitalism, assume a different quality once production is 'socialised'. They then become the instruments of 'socialist production' and thus contribute to the common well-being (Trotsky 1963:212, 213, 225).<sup>4</sup>

### 13.4 BUKHARIN

We shall be concerned here mainly with the author's 1920 *Economics of the Transition Period* (1970). Written in the midst of the civil war and under the direct influence of the recently adopted Party programme, the book deals with the organisation of production in an economy transitional between capitalism and communism and the extent to which categories developed by Marx for his critique of capitalism are applicable to such an economy. Though the work ostensibly refers to the 'transitional period', the author's ideas on the (post-transitional) *socialist* economy clearly come out in the book.

Bukharin's (1970:9–12) point of departure for analysing the transition period is 'state capitalism' – reached by capitalism in its latter day 'organised' phase – which is supposed to have eliminated the market with its free competition along with anarchy of production, giving rise to 'a new type of production relations'.

After distinguishing 'socialism' from 'communism' – following the soviet tradition initiated by Lenin – Bukharin (1970:72, 116, 119) makes the transitional system the repository of some of the basic characteristics of Marx's 'lower phase of communism'. Already in this transitional system, a new type of 'production relations' arises 'based on a radical change in property relations'. With the proletarian nationalisation of the means of production, there arises the 'state form of socialism' and the process of the creation of surplus value ceases.

Bukharin poses the question whether the Marxian categories relevant to capitalism are applicable to the transitional economy, and his answer is essentially negative. First of all, to the extent that during this period 'conscious "social order" [will] replace 'spontaneity' (*Elementarkraft*), the commodity is turned into a product together with the collapse of the monetary system. Naturally, with the elimination of commodity production, there is no value or price, and, by definition, profit disappears (along with surplus value).

As a matter of fact, as we mentioned earlier, according to Bukharin, commodity production tends to be abolished even *before* the 'transition period', that is, under 'state capitalism', when the 'statisation of the economic functions' puts an end to the anarchy of production. 'In the state capitalist society there exists the tendency toward the abolition of commodity economy within the country' (though the anarchy of production is reproduced in the world at

large, outside a country's frontier) (Bukharin 1970:33, 16).

It appears that Bukharin does not consider commodity production as a 'historically determined social *mode of production*' (Marx 1962:90, emphasis added) but takes a historically specific *form of its existence* – namely, the so-called free market – as commodity production's existence itself, so that the absence (or at least a considerable modification) of this particular form under the state control of the economy appears to him as the abolition of commodity production itself. Thus, when, under a (proletarian) state economy, products of labour continue to be exchanged in their price form, prices are simply explained away as purely formal, without value-content (Bukharin 1970:145). Now, commodities, by definition, are the products of private – that is, non-directly social – labour executed in reciprocal isolation, the independent producers recognising only the 'authority of competition' (Marx 1962:87, 377). For the existence of commodity production, the units of production need not be separately owned and controlled. It is sufficient if they are *functionally* separated from one another, so that the reciprocal relation of producers could only be indirect – that is mediated through the value form of their products. To the extent that *society* is not in a position collectively to appropriate the conditions of production (directly), the units of production will remain reciprocally isolated and the relations of persons will continue to appear as the relations of things through the commodity form of the persons' products. In this case, state enforced regulation, which is not *society's* conscious regulation, becomes simply a particular form of existence of commodities, however much such regulation might curb the 'anarchy of production'.<sup>5</sup>

On the other hand, as regards labourers' remuneration under proletarian dictatorship, what appears as the wage, according to Bukharin, is really a 'phenomenal magnitude' or an 'outer shell' in the monetary form without any 'content'. What the labourers really receive is a 'social share' but not wages, inasmuch as there can be no wage labour under proletarian rule (Bukharin 1970:145). Once again, this affirmation is not made to follow from an analysis of the *mode of production* under the proletarian rule. Wage labour, that is, the capitalist relation of production, is simply wished away as a consequence of changes in the state form and the ownership form of the means of production, that is, changes in the superstructural elements and not in the base, as Marx (1958:13) would say. Bukharin seems not to be aware of the (logical) contradiction in his position. If there is no wage labour there is, by definition, no proletariat either, and there would then be no *proletarian* rule. Indeed, if the capitalist mode of production could change on the morrow of the establishment of the proletarian state and its ownership of the means of production, there would be no need for a 'transformation period' between capitalism and socialism. As the *Communist Manifesto* declares, the installation of workers' rule and its taking over of the instruments of production constitute only the '*first step* in the workers' revolu-

tion' (emphasis added).

Bukharin in fact continually confuses the transition period with what Marx calls the 'lower phase of communism' by ascribing to the former many of the attributes of the latter. He does this by inverting the materialist method. He makes society's ownership relations the foundation of its production relations and affirms that since ownership relations change under proletarian rule, the relations of production also change. By change in the ownership relation, Bukharin in fact means change in the ownership *form*, that is, the change from individual ownership to state ownership (of the means of production).<sup>6</sup> The materialist method, on the contrary, holds that ownership relations only 'reflect' the production relations which are their 'content' and that production relations are the basis from which 'arise' the relations of property as the latter's juridical expression (Marx 1964:352; 1966b:177).<sup>7</sup>

The inconsistencies in Bukharin's argument, though embodied in his *theory* of the transition period, could in fact be seen as following from his attempt at rationalising the policies pursued by the soviet regime of the epoch. Bukharin's complete change in theoretical position a few years later could again be viewed as an exercise in rationalisation of the then-existing soviet economic policy. Four years after the adoption of the New Economic Policy, Bukharin acknowledges his 'mistake' in believing earlier in the abolition of market, the installation of a planned economy and the elimination of the capitalist economy immediately after the establishment of proletarian rule. On the contrary, according to Bukharin (1988:128), market relations, money, the stock exchange and the banks play a 'very big role' in the transitional economy. Again, toward the end of the NEP period, Bukharin speaks of the transitional economy's 'relative absence of plan' and asserts the possibility of a planned economy only for a 'developed socialist society'. In the same way, contrary to his earlier negative position on the relevance of the Marxian categories (of capitalism) to the transitional economy, Bukharin (1988:395, 396) now holds that the reproduction schemes as elaborated in *Capital* II are relevant for the dynamic equilibrium of the transitional economy such as the NEP economy. Bukharin's rationalisation of the new situation is also clear here.

Bukharin's (1989) last discussion of socialism – equated to Marx's lower phase of communism – appears in a text that he penned on the occasion of the 50th anniversary of Marx's death. In this text, apparently free from any relation to the actual soviet reality, the author on the whole clearly distinguishes between socialism and the transition period. Dealing with the first phase of communism – that is, socialism following Lenin – Bukharin (1989:417) enumerates its six basic characteristics: (a) less-than-full development of the productive forces; (b) non-suppression of the differences between mental and physical labour; (c) distribution according to labour, not according to needs; (d) preservation of the residue of bourgeois right; (e) residues of hierarchy, subor-

dination and state; and (f) the elimination of the commodity character of labour's product. However, even in this discussion, the most important feature that characterises the new society as opposed to all earlier societies does not come out clearly. Bukharin hardly emphasises that socialism is a society of free and associated producers based on the associated mode of production in opposition to both the enforced union (as in pre-capitalism) and the (enforced) separation (as in capitalism) between the immediate producers and the conditions of production.

### 13.5 PREOBRAZHENSKY

Preobrazhensky's principal theoretical work, *The New Economics* (1926), unlike Bukharin's book, is not claimed to be a treatise on the transition period (or on socialism) in general. It is, as its author says, a work on the 'economic theory of the USSR', confined to the transition period. However, the book does raise a number of basic questions concerning the construction of socialism in a relatively backward economy. We first give a short account of the main ideas of this important work and then look at it critically.

According to Preobrazhensky the soviet economy is a 'socialist-commodity' economy with a commodity sector and a state or socialist sector. Hence there are two regulators of the economy – the law of value and the principle of planning, of which the fundamental tendency takes the form of the law of 'primitive socialist accumulation' (hereafter PSA).<sup>8</sup> Inasmuch as the two sectors cannot coexist in a state of equilibrium without the one trying to evict the other, these two regulators operate in a relation of antagonism. The distribution of material means of production and (living) labour between the two sectors, as well as the type of relation between them, is the resultant of the struggle between these two contending forces (Preobrazhensky 1926:62–3, 72, 122, 152, 154).

The law of value operates 'spontaneously' as a regulator of production and distribution in an unorganised economy. In a backward transitional economy of the soviet type with a relatively low level of productive forces and the majority of the population engaged in (backward) agriculture, the 'simple commodity' sector remains extensive, within which the law of value operates as the dominant regulator. On the other hand, within the (organised) state sector of the economy, where the state is both the monopoly producer and the unique purchaser of its own products, there is atrophy of the operation of the law of value.

In its turn, PSA – which Preobrazhensky puts forward as a fundamental concept for a backward transitional economy – signifies the accumulation of material resources in the hands of the state, drawn from the sources external to

the body of the state economy. It assumes the character of an economic 'law' in the sense of constancy of reproduction in relation to the same causes and the same situation. Preobrazhensky (1926:94, 138) considers the law of PSA to be of 'universal significance'. In its struggle against the law of value this law tries, progressively, to evict the commodity sector in favour of the state or socialist sector over the whole economy. PSA basically consists of the 'exploitation of pre-socialist forms' by the socialist system of the economy, and it is of 'colossal importance' for the soviet economy in view of the fact that here the 'historically progressive form' is not the predominant form.

Preobrazhensky distinguishes between PSA and 'socialist accumulation' (hereafter SA). Whereas PSA is accumulation by the state from sources outside of its own sphere, SA is the extended reproduction of the means of production on the basis of the surplus product created *within* the socialist economy (that is, the state economy). Just as the prerequisite for capitalist accumulation is the primitive (original) accumulation of capital (hereafter PCA), in the same way SA requires *previous* socialist accumulation (that is, PSA). The function of PSA is to accelerate the process of transition to the moment when the state economy starts to dominate the whole economy. While PCA could start long before the bourgeoisie came to power, PSA starts only after the establishment of the proletarian rule. Secondly, such sources of PCA as pillage and colonial exploitation are not open to PSA. On the other hand, unlike PCA, PSA takes full advantage of the methods of regulation developed by capitalism itself.

The sources of PSA lie in the pre-socialist part of the economy such as the alienation of the surplus product of the independent artisans and the peasants, as well as the surplus value of the remaining capitalist segment of the economy. The principal mechanism of the 'exploitation of pre-socialist forms' by the proletarian state is the transfer of a surplus product from agriculture to (nationalised) industry by way of non-equivalent exchange, that is, exchange (in value form) of a greater quantity of labour from agriculture against a lesser quantity from industry (Preobrazhensky 1926:99, 102).

Like Bukharin before him Preobrazhensky also denies the relevance of the categories of *Capital* for the 'socialist-commodity economy' since, according to him, those categories are valid only for the capitalist-commodity economy. First, within the planned state sector of the USSR, there is really no commodity production; the category of price used in the inter-trust transactions has a 'purely formal character'. The commodity categories that are found in the state sector arise only from its relations with the (outside) private sector. In the same way, through the statification of the means of production – resulting in the atrophy of the value-category – surplus product within the state sector ceases to take the form of surplus value and the category of profit disappears. By the same logic, labour remuneration within the state sector is no longer a wage, since the so-called 'wages-fund' is regulated by planning and not by the opera-

tion of demand and supply of labour (Preobrazhensky 1926:160, 182, 212, 220). Similarly Marx's reproduction schemes do not hold for the transitional economy, since equilibrium is obtained there, not through equivalent exchange *via* the law of value, but through the clash between the latter and PSA (Preobrazhensky 1926:174).

Let us now examine Preobrazhensky's ideas about the new society. Preobrazhensky identifies the (proletarian) state ownership with *social* ownership, the state economy with *socialist* economy, and writes about the 'socialist relations of production of the state economy'. Thus according to Preobrazhensky, by a single juridical act the old relations of production are 'decreed away', as Marx would say.

Preobrazhensky conceives the transitional economy purely in terms of changes in property relations (forms). The period is as long as it takes to nationalise the (principal) means of production, and capitalism is supposed to change automatically into socialism along with it. The only remaining problem, after the basic completion of statisation of property in the means of production, would be the development of the productive forces.<sup>9</sup> Quite logically Preobrazhensky distinguishes between 'underdeveloped' and 'developed socialism' on the criterion of the extension of state ownership. Thus Preobrazhensky is clearly deriving production relations from ownership relations (or rather from ownership forms). In other words, ownership relations (forms) are taken as an independent variable in the process of social transformation. Preobrazhensky thereby seems to be suffering from what Marx had long ago denounced as 'metaphysical or juridical illusion' in his well-known critique of Proudhon.

Following Preobrazhensky's logic, there would be no need for a transition period and hence no need for proletarian dictatorship – at least not in the sense of Marx – for achieving socialism. The society of free and associated labour is ushered in on the morrow of the seizure of power with the nationalisation of the means of production. In the Preobrazhensky case, a transition period would be necessary only in the case of a backward society in which the underdevelopment of the forces of production would prevent immediate nationalisation after the seizure of power. Preobrazhensky's transitional economy is a caricature of the Marxian process of social emancipation.

Again, Preobrazhensky affirms the 'abolition' of commodity-capitalist categories within the state sector on the basis of (state) planning that eliminates the spontaneity of economic forces. Here also he abstracts from the social relations of production. The reasons advanced by Preobrazhensky for denying commodity-character to labour power and the products of labour in general, within the state sector in the 'socialist-commodity' economy, are basically the same as those proffered earlier by Bukharin (and Trotsky). These involve a number of stated and unstated assumptions ('enthymemes' in formal logic).

First, determination of (society's) production relation by the ownership relation; second, equating the capitalist ownership relation to a specific ownership form, namely, individual private ownership; finally, concluding that the substitution of private ownership by (proletarian) state ownership – associated with the (supposed) replacement of the 'free' market by state planning – signifies the abolition of capitalism itself along with its central categories, of which only the 'forms' (without 'content') remain. There is hardly any analysis of what, according to materialism, constitutes the basis of society – the social *relation of production* – under the (proletarian) statist regime, and how – if at all – the old relation of production has changed following a change in society's political and juridical edifice. This is, indeed, a complete inversion of the materialist method. Our earlier comments on Bukharin's method also apply here. Let us stress that categories such as prices and wages are not really 'abolished' simply because they cease to behave 'spontaneously'. What are 'fixed' or 'regulated' by plan are still *prices* and *wages*, the commodity-capitalist categories, even though Preobrazhensky might wish them away as only 'formal' categories. Why do all the products of labour have to take the *value form* and labour remuneration the *wage form*? Indeed, no 'plan', instituted either by 'state capitalism' or by the proletarian state, can eliminate the commodity-capitalist categories, whatever the specific forms they might take. These categories go out of existence only when the 'social individuals' appropriate collectively their own general productive power. In the latter case we of course have a plan, but it is of a qualitatively different kind.<sup>10</sup>

In the same way, Preobrazhensky abstracts from the social relations of production and makes labour power 'disappear' as a commodity (in the state sector) simply on the basis of the *state's* fixing the wages fund. He goes on to assert that the workers 'consciously' submit to *piece work* and the restrictions on the wage level imposed by the state, which thereby subordinates the law of wages to the law of socialist accumulation.

It is clear that, in all this theorising, Preobrazhensky is basically rationalising the policies of the contemporary soviet regime. However, with all its limitations, Preobrazhensky's work remains perhaps the most important soviet theoretical contribution on the economic problems of socialist construction in a relatively backward society.

## 13.6 CONCLUSION

What strikes one in this early soviet concept of socialism is a predominantly juridical approach to socialism, in which a specific type of ownership form, and not the specificity of the production relation, becomes the principal criterion for characterising the new society (the proletarian character of the state

being assumed). State ownership of the means of production is equated to socialism, from which commodity production and wage labour (when their existence is recognised) are wished away as merely 'formal', simply on the basis of (proletarian) state ownership of the means of production. Far from being Marxian socialism conceived as a 'society of free and associated labour' with no state, no commodity production and no wage labour, this socialism turns out to be simply a 'single national capital', in Marx's phrase, under a 'single ownership' (of the state).

## NOTES

1. Indeed, it seems absurd that workers would recreate a 'bourgeois state' after having disposed of their own.
2. In this connection see the pertinent remarks in Bongiovanni (1975:179–80).
3. On the question of reorganising labour on a 'socialist basis', Trotsky (1963:207, 208, 214–15) lays down that 'if the organisation of the new society is based on the new organisation of labour, this organisation in its turn necessitates the regular application of the obligation to work', and he insists that the latter is impossible without the 'militarisation of labour' which, he does not fail to add, is 'in the interests of the workers themselves'.
4. At one place, in his polemic with the Mensheviks, Trotsky (1963:254) had to admit that 'there will be no state and no apparatus of coercion in a socialist regime'.
5. This was amply illustrated at the very moment when Bukharin was composing his work – under the so-called war communism. Even under this 'siege economy with a communist ideology', the anarchy of production, not to speak of commodity production as such, could not be eliminated; 'sleepless, leather-jacketed commissars worked under the clock in a vain effort to replace the free market' (Nove 1982:74).
6. While property relations are simply the production relations expressed juridically, within the particular property relation there could be different property forms. This is clear in Marx's discussion of the changing forms of the capitalist property relation through time, corresponding to the needs of capital accumulation. Thus capitalist property is basically individual private property (that is, of the individual household) in the early period of capitalism. The functionary of capital is at the same time its owner. But as capital accumulation progresses, the original ownership-function unity becomes too restrictive for the needs of accumulation, and a separation between them occurs till a stage is reached in which capitalist ownership is collective, rendering individual ownership irrelevant for administering capital (Marx 1964, Chapter 27 *passim*). Here the capitalist property relation assumes a form it did not have earlier. It follows that the state ownership of the means of production is a particular form of ownership within an ownership relation such that state ownership of capital does not *ipso facto* signify a change in the capitalist ownership relation, let alone in the capitalist relation of production. On the other hand, a specific ownership relation changes only on the basis of a change in the production relation to which it corresponds.
7. Bukharin's (1970:12, 34) inversion of the materialist method is clearly seen in his characterisation of state capitalism as a 'new type of production relation' – the 'state capitalist relation of production' – on the basis of the statification of the economy under capitalism. He does not show in what way the relation between the immediate producers and the conditions of production – which is the production relation in a society – has changed with state capitalism, from what it had been in the pre-state capitalist stage of capitalism. Bukharin's (1970:114, 115) assertion seems to follow from what he calls the 'class character of the state' that controls the economy. In other words, to paraphrase

Marx (1958:13), society's relation of production is made to follow from its political (and juridical) edifice. (We have followed Marx's own term 'edifice' – rather than the commonly used term 'superstructure' – for rendering *Überbau*. This appears in the French version of *Capital* I citing these well-known lines. See Marx 1965:617.)

8. This category, originally due to Smirnov, was already employed by Bukharin in 1920 and Trotsky in 1922.
9. 'From now on', writes Preobrazhensky (1926:210), 'with the socialisation [that is, state ownership – P.C.] of the instruments of production, the future socialist development depends only on the purely quantitative growth of the productive forces within the state economy and the rhythm of this growth'.
10. It is a 'self-conscious plan' by the 'union of free individuals working with the common means of production (and) disposing their numerous individual labour powers as a single social labour power' (Marx 1962:92, 1965:613). The term 'plan' was inserted by Marx in the French version, but not reproduced in Engels' later German versions. Let us remark, without elaborating, that the artificial separation of 'form' from 'content', treating them as reciprocally independent entities – which we see in Trotsky, Bukharin, and Preobrazhensky – is of course completely undialectical. In Hegel and Marx, form is the form of content just as content is the content of form.