Confederation of Revolutionary Anarcho-Syndicalists
Russian Capitalism and the Global Economy
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The system sometimes referred to as "real existing socialism" had nothing to do with a real socialist economy in which production is oriented towards satisfying people's needs as determined by people themselves. Rather, it was a specific, underdeveloped form of commodity production in which the Soviet regime pursued its own variety of accelerated industrial-capitalist modernization.

> *"Highly developed commodity production in the West and stiff competition on the world market meant that any new attempt at modernization in an as yet underdeveloped part of the world was bound to result in particularly ruthless recuperative development, an attempt to catch up at all costs. But the statism characteristic of the early modern age was not simply repeated — it re-emerged in a purer and harsher form than in the Western originals of the past. (...) The particularly brutal nature of Soviet bourgeois modernization can be explained by*

> *the fact that the events of a 200-year epoch were compressed into a short space of time: mercantilism, the French Revolution, industrialization, and the imperialist war economy all in one."*[1]

In Russia the "forced industrialization" carried through by the Bolsheviks — Leninists and Stalinists — created the foundations for a capitalist industrial system. In historical terms they accomplished what Stolypin, that enemy of the peasant village commune[2], and weak Russian capital had been unable to. To achieve their goal they made widespread use of mechanisms borrowed from the "war socialism" of the German Empire in WWI.

During WWI Germany introduced government control in almost all branches of industry — the state fixed prices, appropriated all produce, and not only controlled the distribution of raw materials needed by industry but also employed rationing to regulate the supply of foodstuffs to the population. The state encroached far into people's private lives, replacing market mechanisms with centralized exchange between sectors of the economy and furthering the creation of huge industrial monopolies. Free trade was abolished and compulsory labour duty introduced. Lenin described the German war economy as state-monopoly capitalism and called it *"war-time penal servitude for the workers"*. At the same time he emphasized that state-monopoly capitalism created all the necessary material preconditions for socialism and stated that there were *"no intermediate stages"* between state-monopoly capitalism and socialism. The capitalist state simply needed to be

[1] Robert Kurz, "Der Kollaps der Modernisierung", Frankfurt am Main, 1991.

[2] Pyotr Arkadiyevich Stolypin (1862–1911) was Russian Minister of the Interior in the years after the Revolution of 1905. He went down in history, on the one hand, for brutally combating revolutionary organizations while at the same time fostering extreme right-wing and anti-Semitic movements. On the other hand his name is associated with attempts to eliminate the traditional peasant commune, the "mir", in favour of private-enterprise farming.

replaced by a workers' state. The conclusion was astonishingly simple: the transition to socialism in *"war-time penal servitude for the workers"* required just a change of government and a restructuring of the state! "War communism" was nothing but an original Russian version of German "war socialism" (i.e. war capitalism), albeit well packaged in leftist phraseology.

In 1918 the Russian economy was in tatters after several years of war. The Bolsheviks introduced their totalitarian "war communism" with its tightly state-controlled economy, analogous centralization in other areas of society, and grain requisitioning in the countryside. This was a feasible model of social development under the conditions dictated by the Civil War. But these measures met with determined resistance from sections of the working class and the millions of peasants in their village communes. In 1921 the Bolshevik dictatorship was almost swept away by a wave of peasant unrest and was forced to modify its policies. A breathing space ensued, but the next massive attack on urban and rural workers was not long in coming.

In the late 1920s the USSR was still a poorly developed, largely agrarian country. Almost 80 percent of the population lived in rural areas. Agriculture accounted for around two thirds of national economic production, industry for just one third. Industrial production was only just beginning to exceed pre-war levels. Ruling an enormous country and also controlling its economy, the Party nomenklatura found itself in a similar position to the Tsarist regime before it. No less than its predecessors it strove for imperial goals, but the material basis for achieving them was still exceedingly thin. Sweeping modernization of the country was required, including the development of large-scale modern heavy industry and munitions works. The new rulers hoped this would help resolve internal problems and also increase the independence and power of the state, upon which their own rule and privilege depended. The Party-state bureaucracy reasoned that *"the nationalization of land, industry, transport, banks and trade, and strict control of the economy*

[would] allow the accumulation of the means necessary to renew and develop heavy industry." (Stalin)

In essence this was a specific form of state capitalism in which the state bureaucracy functioned as a collective capitalist and the country was like a capitalist factory in macrocosm. The gigantic corporation USSR was part of the world economy and sold natural resources abroad. In the 1930s it sold gold mined largely in the Gulag labour camps and grain pumped out of the villages by means of collectivization; exports were later extended to include oil, gas, timber, diamonds, even larger amounts of gold, etc. The export earnings were used to finance industrialization[3] and also maintain the inner stability of the regime.

The main objective of Stalin's industrialization was the creation of a powerful military-industrial complex. The most highly-skilled workers and best specialists were brought to work here. Furthermore, a large part of civilian industry worked for the "defense" industry, for example extracting the ore and making the steel that was then used to produce tanks and aircraft. But in the atomic age the politics of limitless expansion with the goal of seizing other states' territory reached their limits, and after WWII the military-industrial complex "ran idle" to a significant extent, squandering resources without giving the country anything valuable in return. This inevitably led to the collapse of the Soviet economy. Even the civilian application of new technologies developed in the military-industrial complex ran into huge obstacles due to the regime's obsession with secrecy which sometimes verged on the absurd. The Soviet economy continued to pour astronomical sums of money into the military-industrial complex and was kept alive in the 1960s-80s mainly by the export earnings from oil, gas and other natural resources. And it was mainly import-export

[3] Under the German-Soviet trade agreements for 1931–36, for example, the USSR received a large proportion of the machine-tools needed for new Soviet factories in exchange for grain and gold.

ers' self-organization. The movement still has a long way to go to develop an independent character and pose an alternative to the present society. Then, at last, it will be a movement of workers for workers.

to organize social life through grass-roots general assemblies and coordinate their activities with others through delegates' councils — this is the way to develop direct workers' control which in time will allow people to take their fate into their own hands. But self-organization cannot be pulled out of thin air. People must know their rights and needs and have a positive ideal of social change. *"Poverty and desperation are still not sufficient to generate the Social Revolution,"* Mikhail Bakunin said. *"They may be able to call forth intermittent local rebellions, but not great and widespread mass uprisings. To do this it is indispensable that the people be inspired by a universal ideal, historically developed from the instinctual depths of popular sentiments, amplified and clarified by a series of significant events and severe and bitter experiences. It is necessary that the populace have a general idea of their rights and a deep, passionate, quasi-religious belief in the validity of these rights. When this idea and this popular faith are joined to the kind of misery that leads to desperation, then the Social Revolution is near and inevitable, and no force on earth will be able to resist it."*[7]

The workers' movement in Russia is taking its first steps and is still far from realizing its own fundamental rights and interests. It inches its way forward tentatively, seeking solutions to its problems, gradually obtaining experience of self-organization in the course of social struggle. It sees no real way out of its desperate situation and is thus highly susceptible to the agitation of authoritarian and bureaucratic groups, from Leninists through to bureaucratic unions such as the NPG and FNPR. The influence of these groups also hampers the development of social consciousness. But the workers, it would seem, have already learnt not to trust politicians and are no longer such easy prey as they were at the time of perestroika. Working class initiatives are constantly arising and proposing new and original solutions based on work-

[7] Quoted from "Statism and Anarchy" in "Bakunin on Anarchism", ed. Sam Dolgoff, Black Rose Books, Montréal, 1980, p. 335. (Translator)

operations that allowed the state to maintain a more or less tolerable standard of living for most of the Soviet population.

The communal village economy was almost completely destroyed during the Fordist modernization in the 1930s-1950s, a phase of ruthless capitalist industrialization. This resulted in an exodus from the country to the city as peasants sought to escape super-exploitation in the new collective farms (Kolkhozy) and State farms (Sovkhozy). It is difficult to give exact figures for the number of people who migrated in this way, but it could have been over 50 million. Soviet light industry was unwieldy and inflexible; its equipment was obsolete and it was not geared to meet the population's demand for consumer goods.

The Soviet regime was able to close its eyes to this state of affairs under Stalin where all visible resistance was suppressed by terror and mass purges. After Stalin's death, however, the situation gradually changed as Khrushchev ushered in the "thaw" — the tremendous imbalances in the Soviet economy and the real needs of the population could no longer be ignored. The regime's strict control over society loosened somewhat, allowing more overt expressions of discontent. There were open rebellions of exploited workers, e.g. in the Gulags, the 1962 strike in Novocherkassk[4], etc. Although these were still put down with great brutality, the authorities could no longer simply turn a blind eye to popular dissatisfaction. At the same time the evasion of work became widespread. Workers systematically lowered the pace of work, took extended breaks, or reported sick.

This situation forced the regime to make considerable concessions to the workers in the 1960s and 1970s. This included raising wages and pensions, lengthening leave entitlements, and making

[4] For a good account of the events in Novocherkassk in 1962 see "'Make Way for the Working Class!' — the Russian Workers' Uprising in Novocherkassk, 1962" by Piotr Siuda, currently available in English on the internet at http://flag.blackened.net/revolt/eastern/novocherkassk.html and http://www.savanne.ch/tusovka/en/will-firth/novocher.html. (Translator)

Saturday a work-free day. The ruling elite entered a kind of tacit agreement with the working class: *"You pretend you're working, and we'll pretend we're paying you"*. This was the basis of the Soviet version of the welfare state. Many millions of Soviet citizens were released from the Gulags and rehabilitated, and they, like the rest of the population, increased the demand for consumer goods. This inevitably led to a further increase in economic imbalances and deficits.

In many regions of the USSR workers' standards of living were extremely low by comparison with Western or even Eastern Europe. In these regions wages scarcely covered nutritional needs — given the deficit of foodstuffs a large proportion of food had to be bought on the open market which was not state-subsidized. Furthermore, in some places the quality of free medical care and local services was primitive, to put it mildly.

Finally, one must not forget that attempted strikes were put down with arrests and sometimes even massacres (like in Novocherkassk in 1962). Virtually nothing escaped the watchful eye of the secret services, and even attending a discussion on some topical issue could lead to arrest or admission to a psychiatric clinic, which as a rule is what happened to worker activists. Absenteeism took on such massive proportions precisely because Russian workers had no legal opportunity to fight for their rights.

High military expenditure and rising labour costs limited the revenue of the ruling pseudo-capitalist bureaucracy and the options open to it. Contradictions began to appear between individual factions when it came to dividing power and resources. Since the regime had repudiated terror and the repression of any prospective dangers to its monolithic unity, it was now forced to seek indirect solutions. Thus a system emerged where different roles and spheres of interest were allocated to different factions of the central administration and the regions, to different sectors of the economy, ministries and agencies. This was based on a complex web of rela-

cannot close one's eyes to the fact that Russia today is still a million miles from such a revolution. And already masses of people are being thrown out of work and deprived of their means of existence.

Millions of people are surviving thanks to their small garden plots. This is what is currently saving the country from famine. Since industry in the towns and cities is evidently unable to protect jobs and secure adequate wages, would it not be logical to try and squat the huge expanses of agricultural land lying fallow? Agricultural land is an almost unused means of production at present. At the beginning of the twentieth century the land fed more than a hundred million people. The "collectivization" enforced by Lenin's state using the most brutal of means was the death of the village, and the majority of peasants fled to the cities. The land remained, but today it is little used because the villages have practically been deserted. But there are examples of the successful settling of deserted land, for instance in the Volga region, and some of these new settlements have been able to achieve a relatively high standard of living by Russian standards. Obviously tasks of this kind cannot be solved at an individual level — they require far-reaching collectivism, beginning with offering resistance to the authorities (which will attempt to prevent occupations of this kind) and including the demanding task of setting up a collective farm. If workers can act collectively to blockade railways, then why shouldn't they also collectively occupy idle land and vacant houses in the villages? Currently this path is being taken by a part of the working class in Brazil. Thousands of workers sacked from their factory jobs are occupying land together with the rural poor and forming communes and farming cooperatives. This communitarian-socialist experiment could be of great significance because it demonstrates a way of solving the problems facing the population of many of the world's countries, including Russia.

Workers in the public and private sectors, in factories, offices and municipal services, people in their neighbourhoods, and members of farming collectives: everywhere ordinary people can begin

The Soviet industrial-capitalist system was based on a strict division of labour and narrow specialization. Workers were split into what amounted to castes that were often hostile to each other. Although the working class encompasses both blue-collar and non-managerial white-collar workers, the totalitarian regime followed the time-tested strategy of divide and rule and cultivated relations accordingly. Workers who did largely physical work were told that they were now the ruling class, a line reinforced by the regime's propaganda — the intelligentsia had a subordinate role and were untrustworthy. It was drummed into specialists, on the other hand, that the "mute and docile masses" were not to be trusted. Obviously the goal of social liberation is the self-organization and unification of workers of all categories so as to overcome both capitalist exploitation and the division of labour. It is therefore of great importance that attempts be made to win over to our side technical personnel — specialists who do not belong to management. It was precisely the fusion of workers and specialists on the basis of equal rights and mutual respect that helped ensure the relative success of the workers' councils in Hungary. In the absence of such a bond it is difficult to speak of self-management of production, attempts at which could easily become a dangerous and destructive undertaking. Unfortunately, most technical staff today have a negative attitude towards independent workers' initiatives. Essentially this problem can only be overcome by involving them in the workers' movement as equal partners in struggle. After all, everyone who earns their living through their own work without exploiting the labour of others belongs to the working classes.

Workers at factories which have at least a short-term chance of survival could attempt to develop workers' self-management with the aim of taking over the enterprise themselves. The trouble is that most Russian enterprises are condemned to collapse in the near future. Theoretically the given problems could be resolved in one way or another through a complete social revolution encompassing all the diverse but related parts of the national economy, but one

tions involving economic cooperation, clientage, and a system of checks and balances.

The main economic basis for reconciling contradictions between the different regions and sectors of the economy, and also for pursing social policy, was at this time the export of oil and natural gas which accounted for over 50 percent of the USSR's export earnings (in the 1970s around US$30,000,000,000 per annum). Rising oil prices in the early 1970s stabilized the regime for some time, but the drop in the oil price in the 1980s in turn contributed to the collapse of the Soviet economy. (US strategic policy had a hand in this in the way it fostered the exploitation of new oil deposits in different parts of the world so as to reduce Soviet export earnings.)

The worsening socio-economic situation in the USSR undermined the relationships of clientage which had developed over the decades in the multi-tiered Soviet bureaucracy. This in turn led to an aggravation of social contradictions and the breakdown of the tacit agreement in Soviet society. Contradictions intensified and fractures developed along various lines, particularly between the elites in the regions or Soviet republics on the one hand and the institutions of the central bureaucracy on the other. The former increasingly appealed to nationalist ideas to back up their claims to power. Very soon the Soviet nomenklatura realized that its old "red" ideology was no longer a suitable tool for carrying through the redivision of property and power it had contrived; nor was it of much use for pressuring the workers to "work more" and ask for less. The quick-change artists in power did their best to distance themselves from their predecessors and competitors while discarding their last concerns for public welfare. Party bosses at republic and regional level strove to become the sole masters of the territories they governed. The most opportune means of achieving this was to form a new state under their own control, and nationalist ideas provided the appropriate justification. In many republics the educated upper class, the "intelligentsia", competed with the bureaucrats in this struggle for power. It was

accustomed to regard itself as the "salt of the earth", the "herald and guardian of national culture"; now it declared itself an alternative elite and laid claim to a slice of the cake. In Russia it initially advocated Western liberalism, but this ideology soon lost its flair. In other Soviet republics the cliques of the intelligentsia formed various "Popular Fronts" and demanded "national independence", i.e. power for themselves. But the "patriotic" writers, artists and scholars were outdone by their craftier and more experienced rivals from the nomenklatura and were ultimately reunited with them on the basis of nationalism.

Contradictions intensified between top-level groups in the Soviet bureaucracy and different branches of industry: first and foremost between the oil and gas sector, which brought the state-capitalist regime the bulk of its foreign currency earnings and essentially guaranteed its socio-economic and political stability, and the military-industrial complex that had dominated Soviet manufacturing industry. The former was clearly interested in radically changing political and economic policy so as to jettison the ballast of manufacturing industry[5] and the welfare state. The latter insisted on maintaining the existing economic and political system at all costs, although it admitted that significant modernization was required.

The Soviet state's ability to implement its comprehensive social policy and maintain a stable standard of living by importing foreign products and consumer articles was now limited, and this threatened the "unwritten contract" between the bureaucracy, which controlled production, and the working class. The technological gap between the USSR and developed countries widened, both in civil and military terms, which began to sap the USSR's political power at an international level. In the "speed-up" phase in the first period of perestroika the Soviet leadership attempted to

[5] Soviet manufacturing industry paid far less than world market prices for oil and derivatives.

as many administrative functions as possible in their own hands because their salary and leadership position depend on it. Consequently they have an interest in the repression of rank-and-file workers' assemblies and other forms of self-organization. If, on the other hand, workers' organizations have a cooperative, community orientation and are not divorced from production, they will have the same material basis as other workers. They will thus have an enormous, purely practical interest in developing a model of grass-roots, direct-democratic self-organization which will allow them to free themselves of a great deal of work. Even if initiatives, rank-and-file committees and revolutionary workers' unions at first unite only a minority of workers at their respective enterprises, they can already begin organizing and conducting general assemblies, involving as many workers as possible in the process of self-organization.

To realize their well-deserved and justified demands it is essential that workers coordinate their actions in a consistent and effective way. This calls for a powerful and highly-organized workers' movement involving rural, factory, urban and regional assemblies, unions and workers' councils (like in Spain in 1936 or Hungary in 1956), and also organizations able to ensure the coordination of activities at industry level, between different sectors of the economy, in "technological chains", and at regional level. One must not forget that the country's economy is a single organism. Workers can only take over and run production if the whole country is covered by a strong network of self-managed workers' structures free from party and bureaucratic interference and acting on the decisions of workers' collectives and neighbourhood committees via fixed mandates. It is also necessary that workers gain more knowledge of production. Seminars on the entire production process of the given enterprise can play a valuable role; an initiative of this kind was proposed recently by activists at the "Rostselmash" factory in Rostov-on-Don.

Within the rules of the existing society and the prevailing system of administration there is no way out. The workers will only emerge victorious if they steer clear of struggles for interests that are not their own. Instead, they must set the rules of the game themselves. A new workers' movement is needed, one that serves not the interests of politicians and the union bureaucracy but is a movement of workers for workers. It must be based on the principles of self-organization and self-management. There is no way of acquiring experience of self-organization and self-management other than in collective struggle for one's own social and human rights, regardless what the union bosses and party bureaucrats say. Experience of this kind can only be gained when workers free themselves from the control of leaders (politicians and union officials) and begin to act independently, even if at first this may seems chaotic. That will be the beginning of a new workers' movement.

It is vital that the principle of absolute equality be respected from the very beginning — no more "smart alecs", no more "rednecks"; everyone involved in the movement has a right to be heard and must have equal rights in discussions. There can be no Party or union "vanguard" or "revolutionary leadership" — only the workshop or factory general assemblies of workers and their delegates have a right to make decisions. These delegates are fully controlled by their respective general assemblies — they act only in accordance with the decisions of these assemblies and are recallable at any moment. Structurally the new workers' movement must consist of the general assemblies of workers' collectives which then coordinate their activity through councils and federations of these councils, all fully under their control. There is no place for permanent paid functionaries who are basically no longer workers but have become professional administrators (managers, bourgeois) whose occupation and class position mean they have no interest in the growth of workers' self-organization. It is in these people's interest to accumulate

implement structural changes in industry through the accelerated introduction of modern, capital-intensive technologies. The results were a failure. This was partially due to a lack of resources for the proper introduction of these technologies, and partially to the unwieldiness and inflexibility of the Soviet planned economy with its bloated ministerial bureaucracies and gigantic industrial conglomerates. Another cause was the silent sabotage by broad sections of the working class. A range of measures to maintain work discipline also failed (especially Gorbachev's anti-alcohol campaign.)

The strain of these efforts had disastrous effects on the archaic Soviet state-capitalist economy. Working class activity flourished briefly around the time of the impressive 1989–1990 miners' strike and in various social movements (local citizens' action groups and self-management committees, etc.), but unfortunately working people lacked experience of self-organization and these initiatives soon forfeited their autonomy. Competing bureaucratic elites funneled their activity into parties such as "Democratic Russia" and so-called popular fronts which served their own aspirations to power.

Due to the intensifying contradictions the Soviet leadership was increasingly forced to rely on loans from international creditors, which naturally increased the USSR's political and economic dependence on these institutions. Power-brokering by different sectors of the economy and regional bureaucracies ultimately tore the Soviet state apart and pushed ahead a rapid and radical transformation along neo-liberal lines. International banks and creditors contributed to this significantly as they strove to break down the economic protectionism of the old USSR and fully integrate the Soviet economy into the world market.

It came as no surprise that a large proportion of the munitions factories that emerged from the command economy were uneconomical in a market system — their products were unable to find civilian demand, and in today's political and economic situation

the Russian state has neither the means nor the need to produce weapons on the same scale as before. Tanks and guns are no substitute for bread and butter.

Chernomyrdin, Vyakherev and the other bosses of the oil and gas sector are no longer prepared to share their profits with the state and the military-industrial complex to the same extent as before. Their political and economic power is now such that they cannot be circumvented. Russian industry is in an extremely difficult situation because of its historical orientation towards the military-industrial complex and its requirements. When the borders were opened for foreign goods many Soviet firms proved incapable of withstanding the competition from Western producers. Of course there are also quite a number of factories and businesses in Russia today that are prospering, but these are to be found mainly in the sphere of extractive industry. A large part of manufacturing industry has given up the ghost. The result is hidden unemployment on a scale probably without parallel in human history, with the result that the wages of millions upon millions of people are practically no longer paid. And when unprofitable enterprises are restored to profitability the hidden unemployment increasingly becomes real, open unemployment.

The oligarchic cliques that govern Russia have proposed various solutions for dealing with the problems of unemployment and "underemployment" which have taken on frightening proportions. The first proposal, advanced by some bosses of the military-industrial complex and ultra-patriotic fringe groups, would involve simply "doing as in the past", i.e. reestablishing the empire in slightly modified form on the scale of the previous USSR. The state, they say, must use all the means at its disposal to return to the large-scale production of tanks and other weapons in order to secure jobs. These tanks are then to make the *"decisive push to the south"* and towards other regions. Ideas of this kind are quite widespread in Russia today and are based on familiar imperialist modes of thought. Fortunately the historical opportunity

apparatus has enormous power over the working class and has political and economic interests of its own. For organizations of this kind workers are merely bystanders, "cannon fodder" to be used by the functionaries in their struggle for power. Actions of civil disobedience such as symbolic strikes for a few hours and public protest meetings with speakers selected in advance are of no use. As long as the workers' movement sticks to the beaten track of simply vocalizing its dissatisfaction at rallies and symbolic strikes orchestrated by professional functionaries, workers will be unable to gather any experience of self-organization and will remain in their role in an old play written by others — to be used again and again as pawns in the power-struggles of leaders and officials.

The massive rail blockades of 1998 were acts of workers' desperation[6], but it is not hard to see that they were used by the regional party and union bureaucrats as well as directors and company owners as a way of letting off steam and channeling pressure at the Kremlin in their own corporativist interests, not in the interest of the workers. In this way workers' dissatisfaction is diverted from the local bloodsuckers and directed exclusively against the central government of the day. Some workers' initiatives therefore now argue against blockades because they consider such actions a waste of energy. These are initiatives fighting for one form or another of self-management and workers' control. We support these ideas. Only by destroying the capitalist system and taking the running of the factories and the infrastructure into their own hands will the workers be able to resolve most of their problems. But proposals of this kind demand serious elaboration, and it is a fact that workers today do not yet have sufficiently effective organizations or adequate experience and knowledge to put self-management into practice in their workplaces and enterprises.

[6] This is a reference in particular to the blockades of the strategic Trans-Siberian Railway, one of which lasted several days. (Translator)

self-managed struggle at the Yasnogorsk mechanical engineering works in 1998–99 shows that it is sufficient for workers to realize two simple truths. Firstly, that if nothing is done and no-one puts up a fight everyone will perish and die of hunger. The second truism is that if something is done it must be done independently — without leaders, parties and union bureaucrats. The workers involved must act via general assemblies and mechanisms of self-management under their own control (i.e. workers' councils). It is probably easier to make this kind of choice where workers have a higher level of training and qualifications and a better understanding of the overall functioning of their enterprise. Unfortunately, examples of independent workers' action of this kind are exceedingly rare in Russia today.

Whatever the current level of social consciousness of the "lower classes", we do not believe any government will be able to solve the problems facing Russian society today. Only ordinary people themselves, the workers, can achieve this — if they have the will to. The working class will only have a chance of survival if it manages to become an actor in the historical process, if it formulates a social-revolutionary alternative to existing reality in the course of struggle. But in what direction should these efforts go? We do not have and can never have a blueprint solution to the crisis because we cannot know in advance what inspired activities and decisions will flow from a socially orientated, class-based movement uniting millions of people. But we have a few ideas.

We are convinced that the traditions of the old workers' movement, which is under the complete control of political and union functionaries, are impotent in class struggle. The Russian Federation of Independent Trade Unions (FNPR), the Independent Miners' Union (NPG), and parties such as the Communist Party of the Russian Federation (KPRF) and the Russian Communist Workers' Party (RKRP) are centralized, bureaucratic structures with a vast apparatus of well-paid professional officials. By virtue of its position this

has passed and such a project is now absolutely impracticable, nor does Russia have the forces necessary to undertake such campaigns. Even the USSR as a superpower did not dream of anything of the kind: in a world of nuclear weapons this is simply impossible. Attempting to realize such a proposal would galvanize the corpse of Russian industry into action very briefly, only to usher in the next collapse. There are also very simple reasons why reestablishing the USSR in its previous form is impossible. The ultra right-wing "Russian National Unity" (RNE), which today is very popular, speaks in all earnest of the necessity of introducing an autarchic Russian economy. (By "Russia" they mean the former USSR in its old borders.) But currently the political and economic conditions for implementing such a project are not given.

The second proposal is supported by all mainstream political groups. They call for the establishment of new enterprises and the consolidation of existing ones to make them fit for competition in the market economy. Theoretically, of course, this is possible. But all economists point out that it would require massive investments of capital. New and expensive equipment would have to be purchased and old plant modernized; the costly, long and difficult process of military conversion would have to be mastered, new markets found, and marketing strategies developed.

At the same time nobody can guarantee the success of this undertaking which, from an economic point of view, would be exceedingly risky. Where would the necessary capital come from? What investor is going to put their money into decrepit enterprises where there is only obsolete plant that has not been repaired for years? The state? No, this task would clearly be more than it could handle since it has neither the resources nor the other capacities required. Even if in theory the state were sufficiently competent to solve the problem (and in reality, as everyone knows, it is extremely incompetent and corrupt), it is burdened with a foreign debt of $150,000,000,000 and cannot afford to make costly investments. Russian capital? Why should it invest in the domestic

market when it can obtain better profits with a greater degree of security in stock-market speculation and trade elsewhere. What do the Potanins and Berezovskys know about industry anyway? These magnates "earned" their fortunes — thousands of millions of dollars — through financial machinations, dubious commercial transactions, and above through plundering the national budget6. For them industry is an unknown quantity. On the other hand the ruling class in the boards of industrial enterprises developed in Soviet times have not the faintest idea of how to perform in a market economy; they seek every opportunity for personal enrichment. Besides, given the constant political instability and high inflation, neither the management of enterprises nor the speculators are interested in long-term investments in productive industry. Investment capital transferred to the bank accounts of enterprises, be it state or private money, is therefore simply misappropriated. Plant is sold off and the money transferred abroad or invested in financial speculation. Counter-examples are the exception to the rule and are largely to be found in the extractive sector (e.g. with some oil companies). Even in relatively successful enterprises important repair work is not always done and the registered capital not increased. In the longer term this will cause such enterprises to disappear.

Arms exports? Some Russian weapons systems are certainly on par with their Western counterparts. But regardless of quality, most arms markets are closed to Russia. The arms trade is intimately connected with politics, in particular with superpower influence over a given region, and Russia today is no longer a superpower. Russia exports weapons to the value of several thousand million dollars annually, and try as it may it will not be able to increase these sales significantly.

Foreign capital? But it requires complete social and political stability which does not exist in a country that is rent by severe crisis and where a majority of the population lives in poverty. The development of the workers' movement in no way corresponds to

ers were dispersed too quickly for them to accumulate any experience of collective social action.

All these processes have led to the almost complete disappearance of traditions of resistance, self-organization, mutual aid, and social activism. In turn authoritarian structures have become firmly established not just in politics and the economy, but in people's thought and language as well. The working class is no exception. These authoritarian attitudes seriously undermined the preparedness and ability of the Soviet working class to seek a self-managed alternative to the Communist Party regime in the late 1980s. The strikes of 1989–90 and the protests against the planned price reform showed that people were quite capable of fighting against the Gorbachev government's attempts to solve the country's crisis of development at their expense. But they did not succeed in conducting this struggle as an independent, self-conscious social force.

After the Party's removal from power and the turn to neo-liberalism the working class was hit by a second wave of "atomization". Life in the market economy and mass-media propaganda now drummed into them that "collectivism" was powerless, that in reality nothing could be changed by collective action, and that self-interest was the key ("look after number one"). The propaganda and politics of neo-liberalism were thus responsible to a significant extent for the spread of egoism, as well as nationalist and pro-fascist views in Russian society (anti-Semitism, anti-Caucasian sentiment, etc.), including among the working classes. This is typical scapegoating — victims are sought to bear the blame for the social catastrophe; it is also a symptom of the lack of solidarity, an attempt to escape from the crisis at the expense of others. In other words: these are asocial, antisocial and pathological forms of behaviour.

But these unhealthy tendencies are not an iron necessity that renders workers' self-organization impossible forever. The experience of real workers' resistance such as the self-organized and

at both an economic and a psycho-cultural level. The ideals of equality and solidarity pervading the communal structures of mutual aid, thought and language were lost. At the same time the Fordist "mass worker" was taking shape in the cities. Fordist-Taylorist structures strongly influenced the social psychology and behaviour of the majority of workers. In particular the horizons of working life were narrowed substantially. Turning one and the same screw for one's entire working life and only being acquainted with one restricted field of work came to distinguish the Fordist worker from the qualified trades workers of the early 20th century — workers now had little understanding of the tasks and requirements of the production process as a whole and thus did not feel the same need to control it themselves. They felt it was completely natural for the overall tasks of managing production to be in the hands of competent managers. The idea emerged that there was a unity of interests between workers and managers, an idea that was also increasingly propagated from above. This phenomenon was termed "paternalism" or "corporativism". Remnants of this mode of thought, which was typical of the Soviet variant of the Fordist worker, can still be encountered today, despite the fact that today managers are having private villas built for themselves while workers' wages are not paid for months.

Decades of rigid, industrialization policy carried through by the centralized state have also left their mark. People in the ex-Soviet republics were brought to live in huge, labyrinthine cities, were subjected to strict orders and constantly competed with one other for the possession of scarce material goods. As a consequence today these people are unable to reach agreement on the most elementary of things, let alone agreeing on the need for social revolution. Another cause of this alienation is that for decades workers' attempts at open resistance (strikes, public meetings, etc.) were clamped down on and activists locked away in concentration camps and psychiatric wards — even small groups of militant work-

the magnitude of the crisis, of course, but the catastrophic socio-economic situation nevertheless means there is the likelihood of unrest and even uprisings. What is more, the on-going collapse of the Russian state follows its own logic, and there are already signs that the process has become irreversible.

It is no longer a surprise to anyone that some regions of Russia have introduced substitute currencies and printed banknotes of their own, placed restrictions on the export of foodstuffs, introduced independent price control mechanisms, and generally broadened their political autonomy. In this situation the central government could of course resort to state terrorism in an attempt to institute relative "order" and create favourable conditions for the inflow of Western capital (e.g. tax incentives) so that it would participate in new and existing projects. However, rampant corruption has broken down the central state financial system. The state security agencies have been eroded and the army badly hit by the collapse of its supply services. The central government has lost control of these agencies to such an extent that they are passing into the hands of regional potentates. Russia is looking more and more like a patchwork. Working conditions and standards of living differ sharply from region to region. And whereas some regions can expect foreign investments thanks to their rich natural resources or favourable geopolitical location, others have no future prospects whatsoever.

Capitalism is an increasingly global system based on constant expansion. Since the collapse of the state-capitalist system in the East and through agrarian-capitalist transformation in the "Third World" it has added vast new economic regions to its sphere of control. This expansion gives rise to the idea in Russia that "some time", "somehow" and "to some extent" international capital will also reach the underdeveloped and neglected areas that as yet are of no interest to it. Indeed, although much depends on the pace and extent of this process, the different regions of Russia will inevitably be integrated into the spheres of influence of different world pow-

ers. But the big question is when, how and to what extent. Capital will only invest in these zones when the economic costs and the social risk factor can be minimized, when labour is cheap and the situation stable. Can a region really be stable when the overwhelming majority of its population is destitute? In any case, the integration of these regions would demand a strict, dictatorial regime and the death by hunger, cold and disease of millions of people who have no opportunity of "fitting into the market".

We should therefore expect further regional differentiation in Russia and the other members of the CIS (Commonwealth of Independent States) in the near future. Currently there are several different types of "development". Firstly, there are a small number of economic zones that are more or less integrated into the world market, such as centres of the international service industry and speculation (e.g. Moscow), suppliers of natural resources (oil-producing regions), or "free-trade zones" producing for export. Secondly, there are regions located relatively close to the international economic centres whose location and relatively cheap labour may lead to the establishment of factories attuned to the logic of "just in time" production, i.e. supplying parts to production plants in the highly industrialized countries. These zones will become "threshold regions", occupying a peripheral or semi-peripheral place in the international capitalist division of labour. Kaliningrad and also the Russian Far East could potentially follow this course of development. Finally, it seems likely that many economic regions where the dominant structure has been Soviet agriculture or obsolete manufacturing industry (e.g. the non-chernozem farming regions, or Russia's "red belt") will remain without capital inflow in the longer term and will face total collapse.

After the economic crashes in south-east Asia and Latin America a panic-like flight of capital occurred from many "threshold" countries, and in this context it is difficult to imagine any major foreign investments in Russia in the near future. Even the most optimistic

prognoses estimate that millions of people will face starvation in the foreseeable future.

A real solution to the economic and political problems facing the workers today can only be found and realized by the workers themselves. After all, we live on a vast land mass rich in natural resources. The problem is that these riches have been misappropriated by an exploitative upper class of former Party functionaries and criminal bureaucrats who cover up their acts of plunder with the fig-leaf of "national interests" and the "holy right to private property". But the problem also lies in us ourselves. As long as we still nourish the hope that someone will solve our problems for us, nothing will change.

Unfortunately, the level of real resistance today lags far behind what the situation demands. This is due to the collapse of social relations in post-Soviet society, a destructive process which is already far advanced. People are extremely passive, atomized, and often prefer to seek solutions to their problems in isolation from others, or even at others' cost. People's ability and will to take collective action, to assert their interests in solidarity with others, have been reduced to a minimum.

At the beginning of the 20th century there were several social forces which together created the workers' and peasants' councils and factory committees at the time of the October Revolution: working farmers, an intermediate strata of workers employed as seasonal labour in towns and cities but still maintaining a farm in the village), and skilled trade workers (highly qualified, specialized workers whose work still involved a creative element). Two waves of "atomization" have since swept over the workers of the USSR and the CIS, each of them eroding the communal links and collectivist structures that existed in the minds and lives of the working population. The first wave accompanied the Bolsheviks' industrial-capitalist modernization (industrialization and collectivization). The communal system of the villages was destroyed