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### **SOVIET SOCIALISM IN THE 60-80-IES : POLITICAL-ECONOMIC ANALYSIS**

The article analyzes the economic achievements as well as shortcomings and problems caused, first of all, the mismatch of economic governance system of the USSR in the 60-80-ies to the requirements of scientific and technological progress. During this period the country had made significant progress in creating conditions for the full development of a human being in education, health, culture and recreation. Analysis of the dynamics of wages and distribution of the social product demonstrates that it was carried out in the interests of the society, of all the classes and strata, rather than the layer of managers and officials. This meets the requirements of socialism. On this basis the concept, describing the Soviet Union as a system of dictatorship "of the Party and state bureaucracy" or "state capitalism" is criticized

**Key words:** USSR, central planning, socialism, wages in the Soviet Union, the party-state bureaucracy, state capitalism.

The "Lenand" publishing house has recently published my book "Socialism of the XXI century: Theory and evaluation of experience of the USSR"<sup>1</sup>. The book is devoted to the theoretical analysis of the experience of socialism in the USSR, its contradictions and the research on the basis of this experience, what the socialism of the XXI century should be. I consider myself a critical Marxist upholding the Marxist approach, and I propose to

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<sup>1</sup> Epstein D.B. Socialism of the XXI century: issues of theory and evaluation the experience of the USSR. LENAND. 2015. P. 525. For more information refer to the site of the publishing house <http://urss.ru/214066&src=outlook>

renounce some utopian views on socialism. The book is in an active controversy with theories of "state capitalism", "the rule of the party-state bureaucracy" and it is therefore debatable. This article is based on the material of one of the chapters of this book.

### **Problems of the USSR Economic mechanism in the 60-80-ies**

Today, twenty-five years after the disappearance of the Soviet Union from the world map, it is evident that in order to the successful development of the economic reforms in the Soviet Union the content of them must have been concentrated around radical increase in the degree of economic freedom of enterprises and their associations and transfer of state management of the economy to the new planning and management methods. A gradual abandonment of central planning policy in the form of a system of mandatory plan targets for each enterprise, transition from direct management to regulation of the economy was required. The fact was that the policy of centralized planning system by the fifties had already started to slow down creation and dissemination of scientific - technical progress (STP), and improving the efficiency of the economy.

This slowdown occurred because, firstly, the initiatives to introduce the achievements of STP and to improve the economy originated mainly in the central authorities, notably, the State Planning Commission. The rest chains of the organizations, and, above all, ministries, enterprises and their leaders were to support these initiatives. While in the industrial and post-industrial economy, especially in conditions of constant economic competition between the two socio-economic systems, the initiative should come from the management of each enterprise.

Initiative of the millions to improve the effectiveness and implementation of scientific and technological achievements is stronger than initiative of

hundreds or even thousands of employees of the central planning units. Furthermore, the State Planning Commission and its subordinates implemented only those innovations that they had already been known and tested, i.e., after they had somewhere been already widespread, while advance in science and technology and product quality required that enterprises looked for, found, implemented or even created such innovations themselves.

Secondly, slowdown of growth of efficiency and innovations happened because the targets for the implementation of the STP under the planning system contradicted to the targets for the current volume of production and its growth. It was more important for the managers of the enterprises to achieve targets for volume indicators, as payroll and bonuses in the first place, were dependent on volume indicators. This is understandable, since the failure to volume indicators meant disruption of supplies for some other companies.

Constant shortage of certain types of industrial products and consumer goods was another important drawback of the old system, which was systematically reproduced because of the fixed prices - fundamental shortcomings of the state system. Under this system, local deficits are inevitable even if there is overall balance of cash and goods. A shortage of consumer goods gave rise to speculation, black market, bribes, corruption, strengthening of the privileges of the controlling social layers, etc. etc.

Could we change the bad and outdated targets system for another good and modern one? Today it is clear that it would not have given significant results, although today there are economists and politicians, who believe that if in the 1960s or 70s we introduced, for example, mandatory assignments for reduction of the cost of production, together with other indicators, it would have saved the old economic system. After all, the previous system had enormous historical merits. It allowed in the shortest

historical period to industrialize the country, in 1941 to evacuate a substantial portion of industry to the East, to produce more high-quality military equipment than the whole Europe which worked for the benefit of Germany, to win the Great Patriotic war, to restore the economy and then to create the strong economic base that ensured not only the military - strategic parity with the US and NATO, but also a large part of our present economic level<sup>2</sup>.

The system of centralized administration in the 1970s had some advantages over the market-regulated systems, for example, the absence of crises, stability, fixed prices, and because of this, the ability to anticipate and even plan for the future development for 5 years or more with minimal risk. These significant and important advantages in the 60-70-ies had not yet turned to their negative side, above all, slowdown of efficiency growth of the economy, modernization of production assortment, of quality improvement, etc.

It is important to take into account the fact that among the scientists - economists there was no agreement on the direction and pace of further reform. They were split into "Tovarniks" who bounded the further development on the strengthening of the role of market - value regulation of the economy and commodity production, and "Netovarniks", who argued that under socialism, production was directly social, as the ownership of the means of production, social production was centrally planned and therefore, spontaneous laws of markets, value and commodity production were not relevant. Therefore, the country needed to enhance the quality of central planning. Thus, the government received contradictory recommendations. The success of our neighbors in the socialist system, to introduce more market-based «game rules», for example, in Hungary and Yugoslavia was not so impressive to definitely follow their examples.

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<sup>2</sup> However, this system until 1953 was based on repressions and, often, on non-economic coercion.

According to a well-known critic of the Soviet official data statistics Gregory Hanin, in the period of 1960-1985 there was a significant deterioration in the quality of centralized management and planning bureaucracy. He attributes this to the decline in the quality of management at the highest level after Stalin's death and the victory of the leaders of the "party faction" over public managers after the expulsion of the group of V.M. Molotov by the group of N.S. Khrushchev<sup>3</sup>, to reduction of the number of targets, as well as the common aspiration of the guiding layer for relaxation after the hard period of the 30-50-ies.

He, in particular, believes that certain changes in the system of planning indicators could "offset the impact of factors causing decrease in the rate of economic growth"<sup>4</sup>. In particular, he discusses such changes as "...replacement as a policy indicator of gross output, which stimulates increase in material costs, with indicators, based on the labor complexity of the product... and a greater level of accounting of product quality in the planning and evaluation of the economic organizations"<sup>5</sup>. However, firstly, the 1960-80s were characterized by phasing replacement of the gross indicators with indicators of commodity production, profits, and then – with indicators of net normative production, which retained the advantages of indicators of the normative labor content of the product, but had no some of their drawbacks. Secondly, as we will show further, no indicators alone adequately express the public's economic interests. The main improvement of management under the previous centralized system must have been executed (along with the improvement of performance) through the requirements of not only formal assessments, but meaningful assessments of quality of enterprises activity.

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<sup>3</sup> Hanin G. I. (2002) The decade of the triumph of the Soviet economy. Years Fifties. // Free thought – XXI. No 5. (ci tat <http://www.noogen.su/hanin.htm>).

<sup>4</sup> Ibid.

<sup>5</sup> Hanin gives the following data: rising from 4744 in 1940 to 9490 in 1953, the number of indicators of national economic plan was then continuously reduced to 6308 in 1954, 3390 in 1957 and 1780 in 1958. Ibid.

As for avoiding excessive and often unacceptable rigidity and brutality of the leadership of the Stalinist period, this avoiding seems objectively necessary. Adoption of collective leadership, greater consideration of the interests of the regions, associations, enterprises, places brought certainly additional incentives and opportunities for sustainable development.

The author of this article at the time clearly understood that substantial weakening of the central planning and, even more, the rejection of it, implied, in fact, move away from such an important, seemingly basic, principles such as the dominance of public ownership and public interest in the economy, price stability, payment for labor, etc. How and what steps were needed to move towards greater market principles, was not clear in the 1960-70-ies.

On the other hand, it was evident that no new indicators would force managers at enterprises to comply the production directly with the interests of the society, if they do not want it, and after all this was the aim of the reforms.

Usually one speaks only about the success of the so-called Kosygin's reforms of the 1965-1970, that the rate of economic growth increased significantly, profits of enterprises increased, material consumption of the social product was reduced. Meanwhile little is said about revealed significant shortcomings in the very concept of reform. The new figures indicators did not prevent the enterprises to take care in the first place, about the growth of payroll and bonuses, but not about the public interest. This is no accident; it is a defect of any formal system of indicators of such a complex reality as the economic activity.

If the business plan indicator of the pipe production plant is in tons and this indicator is tied to bonuses, the plant would produce thick and heavy pipes as much as possible. If you plan in meters, as the proponents of the

new systems of the indicators often suggested, then the plant on the contrary, would produce long and thin tubes as much as possible, to increase the length of the products and reduce the costs of production. If the plan is in rubles, it will focus on the most expensive pipes. If the State demands from the enterprises to coordinate parameters of pipes with their customers and, for example, to tie bonuses with profit in practice it would lead to the production of the pipes with higher cost. The reason is that the profit within the price was determined in proportions to the cost, and more expensive pipes would be financially beneficial for both the suppliers and the consumers in those conditions.

Planning from the top indicators of the costs reduction would not have saved the enterprises from ignoring the public interests, since, firstly, the cost savings in excess of a certain level lead to reduction in quality. Secondly, the enterprises in this case, having reduced the costs where it was easy, then, under various pretexts, "modified" production and justified to the planning authorities and users much more expensive production. It is, what in fact, occurred. Supposedly, progressive model of higher quality appeared which was much more expensive so that for somewhere five years there was the opportunity to steadily reduce the costs and receive bonuses. Both consumers and even planning authorities played such "games", because they did not significantly harm neither the ones nor the others.

Thus, the fetishization of any kind of indicators, replacing meaningful reforms with improvement of the system of indicators, combined with increased freedom to dispose the profits was not the right way of reforming the economy.

In fact, the economic reforms until 1986 were carried out unfortunately mainly in the direction towards development of planned regulations and improvement of the system of indicators. But this work was in progress all the time. The transition of industry management to the regulation based on

production and scientific-production associations was executed, indicators of normative net production technical level and product updates, etc were implemented, there were experiments with the research for optimal system of indicators.

In 1983, at the initiative of Yu.V.Andropov a large-scale experiment on the improvement of the economic mechanism in the industry began, which provided further reduction in number of centralized indicators with increase in economic responsibility for the fulfillment of contractual obligations<sup>6</sup>. Attempts to improve the economic mechanism did not stop and the beginning of the perestroika. But it was the mostly the same path of formal control based on other indicators, this was futile.

Thus, we can see that this obvious today, forty years later necessity to move to market regulation of the economy and increase of the diversity of forms of property in the seventies was the not only not obvious, but could seem risky. It seemed impossible in principle to dogmatically-minded ideologues.

In the early seventies, the growth of oil prices and prices of other energy resources put the Western economies is extremely complex, in practice, the critical conditions, and the Soviet leadership got in their hands powerful new financial sources. This determined the deceleration of economic, and especially, political reform, and that was the main factor for a sufficiently long period, later called the period (and even the era) of stagnation.

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<sup>6</sup> The resolution of the Central Committee of the CPSU, the Council of Ministers of the USSR from 12.07.1979, No. 695. On the improvement of planning and enhancing of influence of the economic mechanism on increasing production efficiency and quality of work. On measures for accelerating scientific and technological progress in the national economy: the resolution of the Central Committee of the CPSU and the Council of Ministers of the USSR. – «Pravda», August 28, 1983. <http://www.knukim-edu.kiev.ua/download/ZakonySSSR/data02/tex13035.htm>. Materials of the Plenum of the Central Committee of the CPSU. 27-28 January 1987. Politizdat, 1987.



## Economic development

To confirm our conclusions on the problems of the economy of the USSR in the period under review we present some of the indicators (Table. 1) in accordance with the data of the official statistics.

**Table 1. Average annual growth rates of some of the indicators of economic development of the USSR for five-year periods, in %%**

	1961-1965	1966-1970	1971-1975	1976-1980	1981-1985	1986-1990
Gross national product	6,5	7,4	6,3	4,2	3,3	1,8
Produced national income	6,5	7,8	5,7	4,3	3,2	1,3
Productive fixed assets of all sectors of the economy	9,6	8,1	8,7	7,4	6,4	4,8
Industry production	8,6	8,5	7,4	4,4	3,6	2,5
Production of the means of production (the "A" group)	9,6	8,6	7,8	4,7	3,6	1,9
Production of consumer goods (the "B" group)	6,3	8,4	6,5	3,8	3,7	4,3
Gross agricultural output	2,2	3,9	2,5	1,7	1,0	1,9
Crops production	2,0	4,1	1,7	1,8	0,6	1,0
Livestock production	2,5	3,8	3,2	1,5	1,5	2,6
Growth of fixed assets	6,2	7,3	6,3	3,5	3,1	3,6
Investments	5,4	7,3	6,7	3,7	3,7	6,1
Number of workers and employees	4,4	3,2	2,5	1,9	0,9	0,2
Productivity of social labor	6,1	6,8	4,5	3,3	2,7	1,5
Profit for the national economy (in comparable prices)	8,0	15,4	9,9	4,5	6,1	8,2
Real income per capita	3,6	5,9	4,4	3,4	2,1	3,4

Obviously, official data reflects some significant problems and difficulties of the USSR economy during the 60s-80s. We see noticeable decline after the 1965-1970-ies of annual growth rate of the Gross social product and national income, and other indicators of growth: industry, agriculture, labor productivity, real incomes. Nevertheless, we should not forget that this period often called the "stagnation" was not marked by the fall of the economy, or trample on the spot, like during the period after the crisis of 2007-2009. During the 1971-1985 the GDP and national income increased by 97% (almost doubled in 15 years), the real income of the population - by 62.6%. These are quite high, although declining growth rates.

A certain slowdown by itself is quite natural during the growth in production volume, the same average annual growth rate of 3-4% was typical for most developed countries. What was much worse was the fact that with every five-year period, output growth rates lagged behind the growth of fixed assets. In 1981-1985 the growth rate of national income was 14% lower than the growth rate of fixed assets, in 1986-1990 - the lag rate was almost 2 times. This discrepancy meant that national income growth required an increasing growth of fixed capital, i.e., capital efficiency was significantly reduced. At the same time putting into operation of fixed assets increasingly lagged behind the growth of investment with growing volume of construction in progress.

Growth of agricultural production was slow, not overtaking the population growth, which led to the need for food imports.

In general, reduction of the effectiveness of the control system was obvious. However, it was also clear that it was not critical up to the period of 1988-1990. Even in 1988-1990 the main negative role in the collapse of the economy and the country was played not by the former centralized control system. It might well have been radically reformed in the presence of a serious, reasonable reform plan. However unbalanced, ill-conceived reforms, including the admission of parasitism of the latter-day "cooperatives" in state resources and prices, easing of supplies discipline on state orders, a catastrophic reduction of control over unreasonable overflow non-cash money into cash were executed.

In the last three years of the five-year period before 1991 the monetary incomes of the population grew, respectively, 5%, 4.2% and 9.2% per year. The greatest discrepancy between the growth rate of national income and the income of the population happened not in a period of stagnation, but during the perestroika! Inadequate, unsecured money supply growth was one of the main factors of frustration and anger of the population and

increase of its sympathies to Yeltsin, with his demagogic promises to solve all the problems quickly.

### **Conditions for free comprehensive development**

Earlier we discussed the problems of economic development, noting conflicts and achievements of the economy of the "stagnation" period. But we can not limit ourselves to the economy, forgetting about education, culture, health, tourism and recreation, physical education, etc. In that period there was very intense and permanent improvement of the conditions for the free and full development of a human being, of course, within the framework of economic opportunities. Some of the data is represented in the Table. 2.

**Table 2. Some indicators of development of education, culture, health care, recreation and tourism industry in the USSR**

	1965	1970	1975	1980	1985	1990	1990 in % to 1965
All after-school institutions, thou.	48,1	64,8	80,4	99,4	> 110	> 120	More than 250
including Palaces and houses of Pioneers	3409	3865	4403	4844	5094	5077	148,9
Young technicians stations	397	606	1008	1353	1565	1817	457,7
Stations of young naturalists	288	338	587	863	1058	1251	434,4
Sightseeing - tourist stations	184	169	202	233	289	569	309,2
Children parks	184	164	155	157	167	154	83,7
Children railroads	33	34	38	47	No data	No data	
Summer pioneer camps, thousands.	24,2	36,1	46,0	59,6	74,8	81,8	337,8

Children's music, art, dance schools	2829	4510	6109	7691	8504	9341	330,2
Children libraries	4972	6498	7586	8367	8824	9129	183,6
Clubs of young technicians	1475	1089	1377	1559			
Youth sports schools	2535	3813	5396	6473	8183	9280	366,1
Number of children served by summer camps thous.	6928	8806	9934	12085	14473	12972	187,2
Number of students in higher education institutions, mln.	3,86	4,59	4,85	5,23	5,15	5,16	133,7
Number of students in specialized secondary educational institutions, mln.	3,66	4,39	4,52	4,61	4,50	4,10	112,0
Number of theaters	501	547	570	604	636	747	149,1
Number of museums	954	1144	1295	1526	1932	2471	259,0
Circulation of published books and brochures, mln. copies.	1279	1362	1709	1760	2151	1990	155,6
Number of full-length movies	167	218	282	315	313	330	197,6
Number of doctors per 10,000 population	23,9	27,4	32,7	37,5	42,1	44,2	184,9
Number of sanatoriums and boarding houses with treatment	2230	2318	2350	2333	2416	2294	102,9
Number of beds in sanatoriums and boarding houses with treatment, thou.	409	461	504	551	600	614*	146,7
Number of beds in rest homes and boarding houses thou.	229	287	339	380	383	375	163,8
Number of seats in the recreation and tourist hotels, thsd.	320	445	789	995	1161	1275	398,4

Note: \* - the maximum in this five-year period.

We see that most of the indicators of growth during 1966-1990 doubled and tripled. The number of after-school child care institutions, where almost any child could do a few circles and sections, had grown each year, and for 25 years had increased by 2.5 times, and in many important positions - 3-4 times. This created an excellent basis for the development of abilities and talents.

Note that a similar system also existed for adults. The number of clubs has increased from 127 thousand in 1965 to 138 thousand in 1985 and it decreased to 134 thousand in 1990, but the number of circles in them increased from 343 thousand in 1965 to 747 thousand in 1981, i.e. more than doubled. This upward trend continued until the 1987- 1988.

The number of children rested in the summer pioneer camps nearly doubled, and you can confidently say that the quality and comfort of their substantially increased. In these camps the children also had the opportunity to engage in a variety of circles and sections.

Capable children could continue their education in high schools, where the number of students increased by 33.7%. However, the population during this period increased by 25%, i.e. an increase measured per 1000 people was only about 8%. It's not much, but certainly this growth as a whole met the needs and capabilities of the national economy for specialists with higher education. In the period under review, considerable attention was devoted to ensure that children from families with parents without higher education also had the opportunity for admission to universities and colleges and they tried to select most able children at school benches and lead them to admission to universities.

A lot of attention was paid in this period to culture and cultural education which were the basis for all creativity. The number of theaters, museums,

circulation of books, movies release increased 1.5-2.5 times during this period. The majority of the Soviet films are perceived today as splendid. Among them there were real masterpieces, but now many perceive them positively simply because of their kindness and general humanistic background, the background of the opposition to of the cult of profits and immorality presented in today's cinema.

In those years, health conditions improved essentially, the number of physicians per 10,000 population rose by almost two times, and health care acquired in a substantial part nature of disease prevention.

Finally, a powerful industry of recreation and tourism was created in these years. The number of sanatoriums and boarding houses increased by 89.4%, i.e. almost doubled, and the number of beds in the resorts increased by 47%. The number of beds in the recreation and tourist hotels quadrupled. Places in sanatoriums and boarding houses were readily available to all, and prices for places for the trade union members were several times less than full price. Most of these types of social services were provided for free as secondary and higher education, health care, usage of children clubs, libraries, etc., or for a nominal fee, as the maintenance of children in pre-schools, in pioneer camps, etc.

According to the literature, the Soviet system of recreation facilities, culture, children and youth development was significantly more effective covered a larger percentage of the population than in the USA, and, in addition, it was free<sup>7</sup>.

During this period there was a reduction of the working week from six- day to five-day, from 42 working hours per a week down to 40, which also created additional conditions for recreation and development.

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<sup>7</sup> Titov B. A., Kostrova N. A. Leisure in the United States. Textbook. Saint-Petersburg State University of Culture and Arts. 1992. P. 84.

The basis for free and comprehensive development is education. It turns out that in the years of "stagnation" there was a huge leap in the level of education of the population. Below is data characterizing this phenomenal result.

**Table 3. Some data on the dynamics of the level of education of the USSR population (per 1000 of population)**

Level of education	1959	1970	1979	1989	1989 in % to 1959
Higher	23	42	75	108	469,6
Higher uncompleted	11	13	16	17	154,5
Specialized secondary	48	68	119	182	379,2
Completed general secondary	61	119	229	305	500,0
Total	143	242	439	612	428,0
Per 1000 employees in the national economy					
Higher	33	65	100	143	433,3
Higher uncompleted	3*	6*	11	13	433,3
Specialized secondary	No data	No data	156	233	
Completed general secondary			276	371	
Completed and uncompleted general secondary	400	588	705	765	191,3
Total higher or secondary (complete or incomplete)	436	659	816	921	211,2

Note: \* - calculated by extrapolation.

Indeed, from 1960 to 1989 there was a real revolution in education. The number of people with higher, specialized secondary and upper secondary education has increased in the country as per 1000 of population from 14% to 61%. Among those employed in the national economy the number of

employees with higher education increased by 4.3 times, while the number of workers with higher and secondary (complete or incomplete) education doubled. The number of employees with higher and complete secondary, including special, formed over 50% of employment in the economy. In fact, this meant that a fundamentally different population, competent and highly educated appeared in the country.

Thus, the conditions for free and full development of an individual, for self-realization really improved dramatically in the period.

The country was well prepared for development of the scientific and technological revolution, perception and adaptation of all scientific and technological innovations, as well as the transition to an innovative path of development, to join the "information era", "knowledge society" or post-industrial society, etc.

This is a very important fact to the question whether the objective conditions in pre-revolutionary Russia to implement the catch-up on a socialist basis existed. If the country was able, in spite of the severe war, to go on such a high level and to become the second nation in the world, providing military-strategic parity with the United States, then they existed! Lenin was right: "If the building of socialism requires a certain level of culture ..., why can not we begin first achieving on the revolutionary way prerequisites for this definite level, and then, on the basis of workers and peasants government and the Soviet system, proceed to overtake the other nations"<sup>8</sup>.

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<sup>8</sup> V. I. Lenin. Complete works. Vol. 45, p. 381.



## **The dictatorship of the bureaucracy? State capitalism?**

We now turn to such terms as the "dictatorship of the party-state bureaucracy" or "dictatorship of the party - state apparatus", etc. They have in common a characteristic of the administration system in the USSR as an anti-workers dictatorship. Is it fair to apply this term to the post-Stalin period of the development of socialism in the USSR? Were governance practices since the early sixties dictatorial?

The concept of dictatorship (i.e., unlimited power) is used commonly as a concept that characterizes a system of power in a state. Moreover, it is used in two basic meanings: 1) the nature of the government, which provides economically dominant class with political power; 2) a method of exercising power (dictatorship, dictatorial methods, etc.).

Let's start with the first meaning - the class character of the government. Can we say that the party-bureaucratic government, which stood at the head of the socialist state, expressed and conducted its activities exclusively or primarily for their own interests? Let's compare the dynamics of wage growth of all major classes and strata of Soviet citizens since 1960, as well as the dynamics of growth of national income at constant prices (the last line of the table).

**Table 5. The average monthly salary in the USSR rubles in 1960-1990 and some indicators of the dynamics of the economy in %**

	1960	1970	1975	1980	1985	1990	1980 to 1960, %	1990 to 1980 %
All of the national economy	80,6	122,0	145,8	<b>168,9</b>	190,1	274,6	209,5	162,6
Industry	91,6	133,3	162,2	<b>185,4</b>	210,6	296,2	202,4	159,8
including workers	89,9	130,6	160,9	<b>185,5</b>	211,7	285,6	206,3	154
engineering and technical personnel	135,7	178,0	199,2	<b>212,5</b>	233,2	343,5	156,6	161,6
Agriculture	55,2	101,0	126,8	<b>149,2</b>	182,1	276,2	270,2	185,1
including workers	51,9	98,5	124,7	148,5	179,7	272,6	286,1	183,6
agronomy, livestock technicians, veterinary and engineering professionals	115,5	164,3	179,4	<b>185,5</b>	243,4	332,2	160,6	179,1
Kolhoznicks (the farmers) in the public sector	38,4*	74,9	92	<b>118,5</b>	153,4	241,1	308,6	203,4
Transport	87,0	136,7	173,5	<b>199,9</b>	220,3	314,2	229,8	157,2
Construction	93,0	149,9	176,8	<b>202,3</b>	236,6	351,4	217,5	173,7
including workers	89,2	148,5	180,3	<b>207,9</b>	245,3	339,7	232,8	163,4
engineering and technical personnel	139,9	200,0	207	<b>212,9</b>	239,7	392,3	152,2	184,3
Trade and public catering; logistics and distribution	58,9	95,1	108,7	<b>138,2</b>	149,2	237,5	234,6	171,8
Information and computer services	...	95,8	No data	<b>128,5</b>	143,5	262,2	No data	204
Housing and utilities; non- productive types of public services	57,7	94,5	109	<b>133,2</b>	146,6	209,5	133,2	157,3
Health, physical education and social security	58,9	92,0	102,3	<b>126,8</b>	132,8	185,4	215,2	146,2
Education	72,3	108,1	126,6	<b>135,9</b>	150,0	190,7	188	140,3
Culture	49,2	84,8	92,2	<b>111,3</b>	117,3	165,9	226,2	149
Art	63,7	94,8	103,1	<b>134,8</b>	145,3	198,6	211,6	147,3
Science and scientific services	110,7	139,5	157,5	<b>179,5</b>	202,4	338,4	162,1	188,9
Crediting and state insurance	70,7	111,4	133,8	<b>162,2</b>	180,9	386,8	229,4	238,5
The governmental servants	86,4	124,5	131,3	<b>159,6</b>	168,8	338,1	184,7	211,8
The national income at constant prices, in% to previous period	100	195,2	132	<b>124</b>	117	106,8	319,5	125
Number of employed in the national economy, mln.	88,1	112,3	No data	<b>132,1</b>	137	138,5	149,9	104,8
Indices of state retail prices to the previous period	100	100	99,7	<b>103*</b>	104,9	111	103	116,5
including food prices	100	103,4	100,9	<b>103*</b>	108,3	115	103	114,4

Note: \* - as % to 1970

The first thing that the eye catches is that the leaders in the growth of wages in the 1960-1980 - ies (with the average growth of 109%) within the large social groups were workers in industry (growth by 106.3%) and agriculture (increase of 186.1%), kolkhozniks (increase of 208.6%), but not administration (84.7%) or even engineers (increase of 56.6% in industry and 60.6% in agriculture). This immediately refutes the hypothesis of the dominant interests of the Party- management layer.

If you look at the dynamics of the industries, for example, faster growth of wages in trade (by 134.6%) and the financial sector (on 129,4%) and culture (126.1%), are noteworthy. But engineering and technical personnel lagged behind in terms of wages (as has been said, the increase in the range of 55-60%) as well as personnel in science and scientific services (62.1%). But the reason of it was not the uncontrolled growth of wages in trade and finance personnel but very low starting level (in 1960) of salaries in these spheres (58.9 rubles in trade, 70.7 rubles in finance, 49.2 rub in culture whilst the average salary in the national economy was 80.1 rubles). In science and engineering and technical personnel wages both in 1960, and in 1980 were significantly ahead of the national average, which, in fact, must take place, if the task was to stimulate the growth of production efficiency on the basis of science.

We see, therefore, during the "stagnation" era not the dominance of the interests of the administrative apparatus, but rather the trend towards convergence of levels of salaries of different classes and strata that confirms the thesis about the people's state, rather about "the rule of the party-state bureaucracy."

A noticeable lag in the 1960-1980 between the growth of the average wage in the country and the national income also attracts attention. Maybe it is a sign of exploitation growth? No, as faster growth of the national income is partly due to the growth of employment in the economy. Number of

employees, as could be seen from the given data, rose nearly by 50% in the 1961-1980. Multiplication of indices of employment growth and wage growth gives 314%, that is almost the same as the national income growth index (319.5%). If we take into account the increase in the retail price index over the 20 years by only 3%, it is obvious that the share of consumption in the national income did not change.

This means that the share of wages in the national income, remained in 1980, almost the same as in 1960<sup>9</sup>, that means that the entire increase in national income in 20 years was spent for a completely transparent wage increases for all categories of workers, and for the accumulation, and the accumulation share did not increase. This fact completely refutes the hypothesis of the state capitalism, the exploitation by the state of the population, of the rule of special interests of the party and state leadership. In the 1981-1985 the consumption of the population (considering only the wages as the income) increased by 16.7%, while the national income increased by 17%, i.e. in the final stage of the "period of stagnation" there also were no attacks on workers' consumption. On the contrary, this growth demonstrates compliance between the workers' consumption growth with generated growth of the national wealth.

Moreover, over the last decade (1981 - 1990) the consumption growth in the Soviet Union was faster (by 39%, if one considers the retail price rise), than the growth of the national income (only 25%). The main "jump" in salaries and income occurred precisely in 1986-1990. If this "maneuver" was objectively necessary, or it was determined by populist aspirations, we would not discuss in this article, but it ended, as we know, sadly.

Thus, the hypothesis of the state capitalism, of the exploitation by the state of its citizens, of the dictatorship of the party and state bureaucracy in the

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<sup>9</sup> Specifically, if the data is valid within 1%, it was reduced by only 4.5-5 %.

sense of domination of its economic interests are completely refuted by the real data.

This dominance could have taken place in the ideology. Maybe ideology of special social importance of not working people, not the workers, not the professionals of labor, economy, science and culture but rather the party-bureaucratic "elite" was implanted? Even raising of such a question would have caused confusion among anyone who was familiar with the version of the ideology promoted in this period in the USSR. Nothing like this! The traditional "Soviet version" of ideology completely dominated, it asserted the priority of the interests of the working class and the unity of the fundamental interests of the entire society.

It is important to understand the situation in the Soviet socialism of the 60-80-ies, that the party and state leadership was formed from the most capable managers of all classes and strata of the society. The road to the party, as we have said, was open to representatives of all the social groups, even though they were certain limitations for the intelligentsia. The most active their representatives manifested themselves in social work or a bright position in society and could join the party. However, many high-level managers and scientists were nonparty members. In addition, the party and state leadership did not turn into an uncontrolled caste and untouchables: the layer of leaders was controlled, although not without problems, by the systems of party control, trade union control, economic control, as well as from above. But the top layer was controlled by only a small tip of the Communist Party, and it contributed to the outcome of the failures of "reforms"<sup>10</sup>.

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<sup>10</sup> Of course, we recognize the usefulness and appeal, the historical importance of glasnost, of the expansion of freedoms in the 1986-1990, but it is impossible not to see that, in the concrete historical situation these freedoms contributed to the fall of socialism and the state.

What remains of the term "dictatorship of the party-state" or "the party - bureaucracy leadership" as the class domination of this layer?! Nothing meaningful only a bogey, a phrase of the enemies of socialism!

There is a second meaning of the term "dictatorship" - unlimited violence, dictatorial methods of implementation of decisions of the Power, repressions against all other classes and strata.

Undoubtedly, we can talk about a repressive, dictatorial character of the "party-bureaucratic regime" until 1953. However the situation in the 60-80-ies was totally different. In the 50-ies 1) the Stalin personality cult was debunked and crimes and numerous violations of law and mass repressions of that period were condemned and eliminated; hundreds of thousands of innocent prisoners were released from the camps and prisons and rehabilitated, the appropriate changes in legislation were made, 2) changes in legislation were proclaimed and implemented stating that the Soviet state was the state of the whole people, in which there were no classes and strata that were interested in the restoration of capitalism, and 3) by the 60-ies the nature of the security forces struggle against the active opponents of the Soviet system, whose number was very small, dramatically changed; extrajudicial arrests, etc became impossible.

Speaking about the dictatorial nature of the regime, it seems, we should not speak only about repressions against to the Soviet system, but about the massive use of methods of violence against the population. Such methods, of course, did not take place during the 60-80-ies. The development of virgin lands, construction in the north and east of the Urals, the construction of the BAM railway - all these were based on enthusiastic and conventional civil engineering.

One can and should talk about censorship, which were exposed to works of literature, drama, movies, etc. This censorship certainly irritated the

creative intelligentsia, in many cases, it was too rigid and unreasonable, but, firstly, as the experience of the second half of the 80s showed it was in some form necessary for the preservation of the phase of socialism that prevailed in the Soviet Union, and secondly, as the experience of the 90s, showed it was not only political, but it contributed to providing the highest quality of mass cultural works. Thirdly, in political terms the censorship substantially mitigated gradually and allowed more critical works about the situation in the country, permitted many works of Western writers and scientific works. And finally, the fourth, the censorship in that period could not be attributed to the dictatorial methods of impact on society, as censorship was not suppression, but limitation in terms of unacceptable for this political system views, though it was painful for the holders of such views<sup>11</sup>.

With all that said, we believe that the social relations in the USSR in the post-Stalin period may well be characterized (by analogy with socially - oriented market economy) as relationships of class and social peace, based on state ownership of the means of production and centralized planned management of the economy in the interests of all classes and strata in the presence of significant non-antagonistic contradictions.

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<sup>11</sup> It is well known that very harsh methods to limit the spread of unacceptable for these political systems, but not the methods of direct banning, are in function in the West.