

# The Collapse of the USSR: A Discussion Document

Gareth Murphy, Communist Party of Ireland  
July 2004

Part 1 of this paper will examine the collapse of the Soviet Union. I will spend most of this part looking at the internal reasons for its demise and will only briefly mention the external pressures. Although these pressures were immense, I firmly believe that if the internal problems had been addressed correctly the external were not great enough to crush the USSR.

In part 2, I wish to briefly answer the question, Does the collapse of the Soviet Union and socialism in eastern Europe mean the end of socialism? Is Marxist theory still relevant today, or have we reached a period of time described by Francis Fukuyama as the “end of history”? Is “liberal democracy” the be-all and end-all?

In part 3, I will very briefly point out the most obvious areas in which present and future socialist countries should be careful. What can we learn from the dismantling of the Soviet Union? What mistakes did they make that were disastrous? Where can we further the theory of what a socialist state in practice should look like and act like?

## Part 1: The Collapse of the Soviet Union

From the outset, the Soviet Union was never going to be an orthodox socialist state, if we even know what that is! Marx wrote:

Communists direct their attention chiefly to Germany, because Germany is on the eve of a bourgeois revolution and because it carries this upheaval under more advanced conditions of European civilization in general and with a much more developed proletariat than England.

What Marx was saying was that we should look for revolution in an industrially advanced country where there is a developed, class-conscious working class. Russia was a 99 per cent agricultural society. The peasants were officially freed only in 1860, and in reality serfdom still existed. Feudalism was still widely in existence in Russia in 1917. This was a backward country, without the class that was meant to lead the revolution. Industrialization began at the turn of the century, and there was only a minute working class. Under socialism, a working class was going to have to be created, organized and educated by the state and party, rather than under capitalism *before* a revolution. Hans Heinz Holz, author of “[The Downfall and Future of Socialism](#),” writes:

Thus the development of the Soviet Union before World War II took place under economic and social conditions in no way favorable to a transition to socialism. The country lacked an economic base, a working class highly developed qualitatively and quantitatively, masses experienced in the struggle for, and day to day utilization of, democratic institutions.

Thus the creation and education of the working class was from the very beginning from the leadership down, rather than them participating in the ideological development of Russian Marxism. This hindered democracy and faith in the party and state.

The early economic policies of the Soviet Union, war communism and the NEP, and their constant interchange and lack of consistency, caused instability and resentment among certain sectors of the population, for different reasons. War communism, as the title suggests, was used during times of war; Lenin introduced it during the civil war, and Stalin during World War II. This policy served its purpose in enabling these wars to be won. However, it also had very negative effects on the population and on the growth and development of socialism.

War communism equalized wages, provided free public services, put the state in control of all economic activity, and completely eradicated private property. This is the outline of a policy for a highly developed socialist state. As I have already shown, the USSR was not anywhere near this. Bahman Azad, author of [Heroic Struggle, Bitter Defeat](#), writes:

None of these were among policies prescribed by the theory of scientific socialism for the first phase of Communist society ... in many ways [they] imitated the features of an advanced Communist society.

While it served a purpose, it led to the hoarding of crops by peasants and the slowing down of production in the cities and caused the demand for consumer goods to plummet. It had negative effects on the economy.

To counter the bad effects of “war communism,” Lenin introduced the NEP, the New Economic Policy. This reintroduced small private ownership and a regulated market economy. It was put forward to revive the economy. It encouraged growth in industry and agriculture at the expense of workers’ wages. It was a political loss and a step backwards for many workers, as they saw it. It appeared as a loss of face for the government, as it reintroduced material incentives. It was, in my opinion, the natural economic policy of a young socialist state, but coming after war communism, which was good for workers’ wages and conditions, it was, understandably, seen as a step backwards by many. The third major economic policy I wish to mention is that of the “rapid industrialization model,” introduced by Stalin in 1928. This was the beginning of the five-year plans. It aimed to hugely industrialize the economy and develop it to compete with the economies of the west, which it succeeded in doing. It centralized the planned economy in the hands of a few, more out of necessity than choice. The growing threat of fascism in Europe and later the Cold War forced this centralization. As much as this model achieved, it also had hugely devastating effects for democracy but most importantly for the changing roles of party and state. Azad argues:

The most important and enduring side effect of the rapid industrialization model was to obscure and confound the logical and historical boundaries between the structures and responsibilities of the Communist Party and those of the socialist state. The need to guide in practice the process of rapid industrialization of the country forced the Communists to assume the executive responsibilities of the state, even at the lowest levels, and to become the caretakers of the state affairs on a daily basis.

This is the central thesis of Azad’s book. The state and party became one, which led to its downfall. This is, I believe, a vital contribution to the debate over the collapse of the USSR.

Marx and Lenin make clear the differences between the state and the party. The state, as described by Marx, is an oppressive organ that represents the interests of one class. So a workers’ state represents the interests of the working class while oppressing all other classes. The party is the organized expression of the interests of the working class. It must be the ultimate guide for state action. It must be the voice of the working class; it must constantly put forward their wants and needs and must express the criticisms of its class. They are two different institutions, with different roles, and must not become one. This happened in the Soviet Union.

As I already mentioned, the economic policies of the state pushed together the state and party; their lines of distinction became increasingly blurred. This had disastrous effects for both party and state. These I will now look at in a couple of areas: careerism in the party, the failure of ideology, and the corruption of party and state, causing the ultimate stagnation of the state.

The growth of a massive, parasitic bureaucracy out of the rapid industrialization model of the planned economy encouraged the phenomenon of careerism. As the party became an administrative tool of the state, and as elected party officials became top state administrators, the western phenomenon of careerism and full-time politicians took hold of the CPSU. People joined the party and went up through the ranks of the party to take high positions in the state, to avail of the material benefits these positions allowed. People used the party and state for their own material benefit. New bureaucratic positions were created for friends and family, and thus this entity grew and grew, and with that it corrupted and stagnated the state, to the point where both party and state became reactionary to workers’ needs and no longer represented and enacted their interests. Azad writes:

The confluence of the Party and the state structures not only created lucrative material incentives for joining the Party but also increasingly tied the Party’s interests with those of the state bureaucracy in maintaining the status quo.

The second important result of the merger of party and state was the effect it had on ideology — an entirely negative effect. The party, rather than analyzing, advising and proposing policy to the state, became a Marxist (using the term Marxist very loosely) legitimization or justification for state action. The state acted, and then the party justified it. This is completely back to front. The party no longer criticized state action, because it in essence was the state. Azad correctly points out:

This phenomenon was perhaps more prevalent among the party intellectuals who, instead of continually analyzing the situation and showing the ways out of problems, increasingly placed their theoretical capabilities at the service of praising the status quo and justifying the policies and actions of the state bureaucracy.

Holz also points this out:

The impoverishment of dialectical theory had direct practical consequences: the theoretical basis of political practice was displaced by the legitimisation of political pragmatism after the fact.

The corruption of ideology led to the stagnation of the party and state. Two very good examples of this corruption come from Khrushchev's time in office. The twentieth congress of the Communist Party, in 1956, set far-reaching goals of out-producing capitalist countries. It declared that the USSR was in the advanced stage of socialism. It was completely illusory, far-fetched, and wishful thinking. These statements were not based in scientific socialist theory: they were propaganda rhetoric by the leader, backed up by the so-called Marxist intellectuals of the party. The next example also comes from Khrushchev. The twenty-first congress of the Communist Party declared the communist party no longer a party of the working class but a "party of the people." It also declared the state a "state of the people" and not a state of the working class. This is the grossest abuse of Marxism. Lenin clearly said:

Every state is a special repressive force for the suppression of the oppressed class. Consequently, no state is either "free" or a "people's state."

You can't get much clearer than that. It is basic Marxist theory that the state is the executive branch of the ruling class. The day a society becomes classless is the day a state is no longer needed. What Khrushchev did can have no legitimacy in Marxist theory; and yet the party did not object. The points above about the economic policies and their effects on the party and state all, I believe, can be traced back to the state of Russian society at the time of the Revolution. The make-up of society forced certain policies to be pursued that had the result of leaving the party and state open to corruption by the individual for private interests. This is essentially the thesis Azad presents. Roger Keeran and Thomas Kenny in their book [Socialism Betrayed](#) present a different but equally valuable and connected thesis. Their primary focus is on the progression of the black market or second economy throughout the history of the USSR and how Gorbachev's reforms essentially unleashed these forces and the second economy replaced the state-run first economy. They argue that this is something that has been neglected by inside and outside analyzers of the Soviet Union.

We define the second economy as economic activity for private gain, whether legal or illegal.

So this includes stealing produce from your work place and selling it, or legally renting out a room in your home for your own material benefit. It is all activity done for your own private economic gain. They argue that this economy was always there in some form or other but had been kept in check in the Stalin era. However, from 1953 onwards it was neglected and left to grow into a sizeable portion of all economic activity. Measuring the exact size is difficult and controversial, but they believe it was worth about 5 billion rubles in 1960 and 90 billion by 1980, and by 1990 it amounted to 25 per cent of all accumulated personal wealth. It grew faster than the first economy in these years and had devastating effects on the first economy. It took resources from the first economy, it undermined the planned system by distorting figures, it increased inequality — which increased resentment and jealousy — and, importantly, it added to the corruption in the party. It infiltrated both party and state at all levels. Brezhnev's daughter and son-in-law were arrested for illegal economic activity. This went all the way up the hierarchy. More importantly, however, it provided an economic class and basis for the ideas and policies of the Gorbachev era. It encouraged a class to grow that would benefit from the dismantling of the state economy and the legalization on a large scale of private ownership. A petit-bourgeois class emerged and grew out of this second economy. To quote a few lines from the Keeran and Kenny book to illustrate this point:

After 1953, a new economic basis for bourgeois ideas began growing within socialism ...

The most corrosive product of the Khrushchev and Brezhnev eras resided precisely in this second, private economy and the stratum that benefited from it...

The second economy and Gorbachev's reforms sparked a dialectic of socialist betrayal.

That final quote brings us on to the last point I want to make on the collapse of socialism in the Soviet Union. Gorbachev's reforms, namely "*perestroika*" and "*glasnost*," unleashed the forces and class of the second economy and enabled them to gain control in key areas and to work towards dismantling socialism and aiming to replace it with a social-democratic free-market economy. Gorbachev and the free-market thinkers he surrounded himself with, I believe, did not fully comprehend the likely results of their actions. Did Gorbachev aim to disintegrate the USSR? I don't believe so. Did Gorbachev aim to hand power completely over to the right—Yeltsin and Co.? I don't think so. But that was what happened.

What exactly did Gorbachev do?

He ended the leading role of the CPSU. He ended the planned economy and replaced public ownership with private ownership. He surrendered to the US in all foreign policy areas and even went as far as allying with imperialism in the first Gulf War. He didn't open up the media fairly: he handed the media over to the enemies of socialism, and made them a propaganda tool of the right. Finally, he handled the increasingly difficult national question with increased repression, causing the disintegration of the state.

These reforms took power away from the CPSU and gave it to the people involved in the second economy and with an interest in an open market. This spelt the end of socialism and the Soviet Union. Keeran and Kenny explain this excellently:

A simple cause underlay the seemingly complex pattern of these tumultuous years. The Gorbachev leadership replaced a policy of struggle with one of compromise and retreat. Gorbachev retreated before the pro-capitalist coalition led by Boris Yeltsin. He retreated before the media, which berated his centrism and timidity. He retreated before nationalist separatism. He retreated before US imperialism with its unquenchable thirst for one-sided concessions and for global dominion.

Gorbachev was incapable of analyzing why his regime was disintegrating. He could not see that liquidating the CPSU was leading straight to the Soviet Union's collapse. By weakening the CPSU he relatively strengthened the Yeltsin camp, the separatists, the second economy, corrupt elements in the party, the Russian mob, and western imperialism.

Gorbachev was trying to create a European-style social-democratic state. He failed to see that it was his policies that were destroying any hope of that and so continued and strengthened a course that was disintegrating the Soviet Union.

To tie all these points together is important. Russia had a working-class revolution without a strong working class. The state was forced to create, educate and organize the working class from the top down. The party was forced to take on the role of administering state policy, something it should never have to do. Careerists, full-time politicians and bureaucrats corrupted the party. The "second economy" went unchecked, grew, and infiltrated both state and party. A class of people emerged whose interests were the destruction of socialism. The reforms led by Gorbachev handed power over to this class, and socialism was dismantled from within.

Finally on the collapse, I would very briefly like to mention the external pressures on the state. I have not put too much weight on these, because I believe that if the internal problems had been solved the state could have carried on, struggling and fighting. I do not believe the weight of outside forces would have crushed socialism.

Holz wrote:

The economic boycott by the industrialized capitalist countries against the young socialist state made reconstruction even more difficult.

The trading boycott left the USSR behind, most importantly in the area of computer technology. The state had to invest huge amounts of money in research to keep up the pace, something western countries could spread over many companies and universities. From the beginning, a country that was not self-sufficient was forced to struggle to become self-sufficient.

The people of Russia and then the Soviet Union felt the devastating effects of both world wars. Millions lost their lives, and vast stretches of much-needed fertile land were destroyed. The Soviet Union had to rebuild itself without aid from large western banks.

The Cold War and the arms race were also costly. The USSR was forced by US imperialism, at least for a time anyway, to match it in the arms industry. However, while the US economy grew from this industry, the USSR's was drained. The US could sell weapons all over the world and make profit out of it. The USSR had to financially and militarily support numerous liberation movements around the globe — a very costly exercise.

The constant outside pressure and propaganda had a bad effect on the morale of the people inside the Soviet Union. Instead of concentrating on the huge achievements gained over the eighty years of its existence, people and the state constantly compared themselves with western standards in terms of consumer goods and luxury items — a demoralizing thing to do.

These external factors played a huge role but in themselves were not enough to spark the events of the late 1980s and 90s. The US did not defeat the Soviet Union in the Cold War: the Soviet Union defeated itself from the inside.

## **Part 2: Is Socialism still Relevant Today?**

Can Marxism explain the collapse of the USSR? I think it does, and I hope to have shown that. The day Marxism cannot explain a major world event like this is the day I question the relevance of socialism.

Did the Wall Street Crash of 1929 mean the defeat of capitalism? Did the collapse of the Weimar Republic mean the end of parliamentary democracy for Germany? Did the beheading of Charles in England in 1649 mean the end of an English monarchy? No.

Socialism is still alive in other parts of the world: Cuba, China, and Viet Nam. This was a huge loss to the world and to socialism, no-one can deny that; but socialists have had to deal with such losses before: the collapse of the Paris Commune in 1871, the failure of Germany to revolt alongside Russia, the failure of socialist regimes in Africa and the Middle East. We have dealt with these, we have explained them, and we have moved on. And that is what is required by socialists today. Explain the defeat, learn from the defeat, and move on.

The conditions of the world today, I believe, make socialism and Marxism even more relevant and necessary than before. The defeat of the USSR and the return to *laissez-faire* capitalism has made conditions abroad and at home for the most vulnerable unbearable. The few rich are getting richer, and the masses of poor are getting poorer. Imperialism, whether it be the US or EU, is for the moment triumphing and trampling upon the workers of the world. Socialism is relevant, and we must show that. Marx wrote:

Workingmen's Paris, with its Commune, will be forever celebrated as the glorious harbinger of a new society. Its martyrs are enshrined in the great heart of the working class. Its exterminators history has already nailed to that eternal pillory from which all the prayers of their priests will not avail to redeem them.

## **Part 3: What can we learn?**

As Marxists it is essential that we learn from history. We must analyze and identify the mistakes made and make sure they are not made again. This is progress. Marx never left a blueprint for a socialist state — correctly — and it would be foolish to think we can come up with one. What Marx did was analyze the institutions and workings of past and present states and in particular that of the Paris Commune. What we must do is further Marxist theory on the workings of socialism after the revolution by analyzing and learning from the Soviet Union. What I want to do now is very briefly look at the institutional mistakes made and to put forward warnings, if you like, for what not to allow happen or what not to do in the present and future socialist countries.

Theory and ideology are essential; they must constantly be reviewed and analyzed from an unbiased and objective stance. Self-criticism is the essence of development. There are too many egos on the

left, past and present. This has to be avoided for progress in theory to be made. For a one-party system to be democratic, accountable and responsive it must be allowed to freely criticize the state. The outside must also be allowed criticize — not interfere or criticize from an assumed position of superiority, but within the international communist movement criticism must be allowed, encouraged, and listened to. A monopoly of ideology must not be allowed. What I mean is that a few people or one committee or institution must not be allowed to control ideology in a party: it is up to all members to contribute to the growth and development of socialism.

The party and state must remain separate. What happened in the USSR — the party becoming an administrative tool of the state — was in my opinion what ultimately allowed the second economy and Gorbachev's reforms to dismantle the Soviet Union. It must be avoided. The party must *always* be the organized and educated voice of the working class, constantly fighting, no matter what state it is in, for better working conditions and for the advancement and development of socialism.

The party must always be democratic. Khrushchev being ousted is a good example of that; the ability of Gorbachev to dismantle socialism is an example where better party democracy would have prevented it. The members must be informed, have a voice, and be listened to. This did not happen in the USSR. The workers' demonstrations were not calling for an end to socialism and the beginning of capitalism; they were — correctly — unhappy at not being listened to by the party or state. Roy Medvedev wrote:

In 1991, the masses supported demands for freedom and democracy, opposing the privileges and power so long monopolized by the Communist Party bureaucracy, and hoped for an improvement in their material conditions. The mass rallies for Yeltsin featured banners such as *Down with Gorbachev* and *Down with the CPSU*, but I never saw a banner saying *Long live capitalism* or *All power to the bourgeoisie*.

Corruption and the black market must be paid better attention. The disastrous effects of an unchecked private economy are well demonstrated in the book by Keeran and Kenny. It is something I never really thought of as being that damaging until I read this book, but now I believe it is vital that it doesn't go unchecked, as a petit-bourgeois or bourgeois class begins to grow around it and gains power and control. It must be dealt with by the state, by fulfilling the demands that it supplies, consumer goods or luxury items. Also, areas like drugs and prostitution must also be addressed by the state.

## **Conclusion**

To conclude, no one reason stands alone: they all interacted with each other. No one of them could have dismantled the Soviet Union by itself. No one of them developed on its own: they all affected each other. The Soviet Union must be seen in the context of a constant struggle to survive, with huge domestic and international obligations and commitments.

Its collapse is not just a loss to the workers it fought for in Russia and eastern Europe but also is a huge loss to people worldwide. The Soviet Union must be understood; its collapse must be turned into progress for the worldwide working-class movement. It must be learned from and studied to forward Marxism in this age of neo-liberalism, neo-conservatism, imperialism, and the increasingly desperate state of affairs for the majority of this world.

I hope I have shed some light on the subject and encouraged people to do their own research on this very important topic and not just listen to negatives from both the right and the left. Study, and make up your own mind.