

Six and a half years after the breakup of the USSR

## Russian economic crisis vindicates warning by the ICFI

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*This week's currency and market slumps in Russia are the latest chapters in the economic and social catastrophe in the territories of the former Soviet Union. The six and a half years following the formal dissolution of the USSR in December 1991 have been marked by mass layoffs, failures to pay wages for months at a time, the elimination of social programs, and the growth of desperate poverty.*

*In light of these events it is worth recalling the promises of peace and prosperity that were made to the Soviet people by Stalinist bureaucrats in the USSR and bourgeois politicians in the West at the beginning of the decade. At that time, the International Committee of the Fourth International warned that the restoration of capitalism in the USSR would result in a disaster for the Soviet working class. One example of the warnings issued by the ICFI is reprinted here.*

*The following is an excerpt of a lecture delivered by David North, the national secretary of the Socialist Equality Party in the US, in the Ukrainian capital, Kiev, in October 1991. The full text of the lecture, titled 'After the August Putsch: Soviet Union at the Crossroads' is included in the Fall-Winter 1992 issue of the Fourth International magazine, which can be ordered on-line.*

There are, I am glad to say, a growing number of people in the USSR, even among the intelligentsia, who recognize and admit that Trotsky has been proven right. The attempt to build socialism in one country was, they acknowledge, a tragic error which has led to a disaster. We now know, they assert, that it is necessary for the Soviet Union to become part of the world economy. But this valuable, though belated, insight is then compromised with a fatal conclusion--that access to the

resources of the world economy requires, of necessity, the restoration of capitalism. In saying this, they imagine that the 'insertion' of the USSR into the world market, on the basis of capitalism, is a rather simple task, like inserting a well-made artificial tooth in place of a rotten one that had to be removed. But even such a simple procedure often produces unforeseen complications--and, at any rate, the integration of the USSR into the structures of world capitalism requires far more than skillful economic dentistry.

Those who argue that it is only necessary for the Soviet Union, or what remains of it, to enter into the world market for it to solve its present problems simply ignore a number of critical historical and economic issues. First of all, the October Revolution was not a light-minded adventure foisted arbitrarily upon the Russian and Ukrainian people by wild utopians. This cataclysmic event was deeply rooted in the development of Russian and world economy and their mutual interaction. It was an attempt to overcome, in the interests of the destitute masses, the immense obstacles to progressive economic development confronting a backward country within an international environment dominated by highly developed imperialism. The early economic and cultural achievements of the Soviet state, despite the depredations of the bureaucracy, captured the attention of the entire world; and these achievements, to this day, certainly compare very favorably to the state of affairs in backward countries where capitalist rule had not been overthrown. Hence the enormous influence exercised by the Soviet Union for decades after the revolution.

Moreover, even if one were to accept, and we do not,

that the October Revolution was an adventure which should not have been attempted, there is no turning back to 1917. Just last week, I found it difficult to conceal my amazement upon being told by a Soviet professor in Moscow that it is necessary for Russia to return to the nineteenth century! But neither Russia nor the world can be returned to where it was yesterday, let alone to where it was last century. It is one thing to pull down statues and rename cities; it's quite another to recreate the past. Neither Russia nor the Ukraine can escape from the realities of world economy at the end of the twentieth century. As Russia and the Ukraine attempt to integrate themselves into the structures of world imperialism on a capitalist basis, they will quickly find themselves not only confronted with all the massive problems confronting every other third world nation--none of which has found successful answers to their problems--but with additional and especially harrowing difficulties. In the course of his recent visit to Washington, Kravchuk was informed by the IMF that wage levels and the corresponding social benefits of Ukrainian workers must correspond to their productivity of labor, using prevailing world standards as the scale of measurement. In practice, the 'correction' of Soviet wage levels to meet the exacting capitalist standards of measurement would mean a drastic lowering of the social conditions of Soviet workers.

To the extent that they are even willing to acknowledge the grave implications of a return to capitalism in Russia and the Ukraine, smug economists among the ex-Stalinists, right-wing 'democrats' and nationalists declare that Russia and the Ukraine are not like other 'third world' countries. That is quite true: they both possess a massive industrial infrastructure and a level of social culture unknown to the masses of any other 'developing' country. But herein lies the unique dilemma of the USSR and its republics. For the countries of the third world, capitalist development is theoretically 'justified'--to the extent that it can be justified at all--as a means of creating modern industrial economies that will provide, at some unknown date in the very distant future, an escape from grinding poverty. Aside from the fact that this apology is based more on illusions and myths than on facts, it has no relevance for the Soviet Union. In this country, capitalist restoration can only take place on the basis of the wide-scale destruction of the already existing

productive forces and the social-cultural institutions that depend upon them. *In other words, the integration of the USSR into the structure of the world imperialist economy on a capitalist basis means not the slow development of a backward national economy, but the rapid destruction of one which has sustained living conditions which are, at least for the working class, far closer to those which exist in the advanced countries than in the third world.* When one examines the various schemes hatched by the proponents of capitalist restoration, one cannot but conclude that they are no less ignorant than Stalin of the real workings of the world capitalist economy. And they are preparing the ground for a social tragedy that will eclipse that produced by the pragmatic and nationalistic policies of Stalin.

This is not a theoretical projection; rather the future which threatens the USSR is the present reality in much of Eastern Europe. In all the countries where capitalism has been or is in the process of being restored, the result has been a catastrophic collapse of the national economy.

See Also:

A balance sheet of capitalist restoration in Russia  
[2 May 1998]

Leon Trotsky and the Fate of Socialism in the 20th Century

[A lecture by David North -- Full text of lecture 102 KB]



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