

Industrial Democracy and State Capitalism

Industrial democracy was at the heart of the aspirations of the workers' movement in 1917, yet following the Bolshevik assumption of power the two trends of the revolution – from above and from below – increasingly came into conflict. Having exploited the aspirations of the workers in 1917, Lenin during the 'breathing space' following the Brest-Litovsk peace soon reverted to type and insisted on strict hierarchy, discipline, and even the reimposition of piece rates, something detested by workers at this time.

Document 3.9 Workers' Control

The following decree was issued on 14 (27) November 1917 and appeared to grant workers' demands, yet the rights of workers were limited. As mentioned above (p. 38), the Russian word *kontrol'* means 'supervision', not 'control' in the English sense.

- 1 In the interests of a systematic regulation of national economy, Workers' Control is introduced in all industrial, commercial, agricultural (and similar) enterprises which are hiring people to work for them in their shops or which are giving them work to take home. This control is to extend over the production, storing, buying and selling of raw materials and finished products as well as over the finances of the enterprise.
- 2 The workers will exercise this control through their elected organizations, such as factory and shop committees, soviets of elders, etc. The office employees and the technical personnel are also to have representation in these committees.
- 3 Every large city, province and industrial area is to have its own Soviet of Workers' Control, which, being an organ of the S(oviet) of W(orkers'), S(oldiers'), and P(easants') D(eputies), must be composed of representatives of trade-unions, Factory, shop and other workers' committees and workers' co-operatives . . .
- 6 The organs of Workers' Control have the right to supervise production, fix the minimum of output, and determine the cost of production.
- 7 The organs of Workers' Control have the right to control all the business correspondence of an enterprise. Owners of enterprises are legally responsible for all correspondence kept secret. Commercial secrets are abolished. The owners have to show to the organs of Workers' Control all their books and statements for the current year and for the past years.
- 8 The rulings of the organs of Workers' Control are binding on the owners of enterprises and can be annulled only by decisions of the higher organs of Workers' Control.

Source: Bunyan and Fisher, *The Bolshevik Revolution, 1917–1918*, pp. 308–10.

Instead of the direct control of enterprises, this decree allowed 'supervision' over the workplace. In practice, faced with lockouts and the like, workers were forced to seize their enterprises. In the 'red guard attack on capital' following the seizure of power Lenin tolerated this, but later imposed a more centralised state-directed model of industrial management. The ideal of workers' self-management of the economy was later espoused by the Workers' Opposition, and was in part implemented in the Yugoslav model of self-managing socialism.

Document 3.10 Lenin and 'State Capitalism'

Early hopes that the October revolution would usher in workers' self-management were soon dismissed as Utopian. Following the Brest-Litovsk peace Lenin turned to the problem of shaping the transitional Soviet economic order, and (once again to the disappointment of the Left Communists) advocated the retention of the rudiments of capitalist management – with any surviving capitalists under the supervision of the Soviet state. Measures included the reintroduction of one-man management, labour discipline and piecework incentive payments, together with the employment of 'bourgeois' technical and managerial 'specialists' (known as '*spetsy*' in Soviet jargon). 'Accounting and control' became the slogan of the new period.

Thanks to the peace which has been achieved – despite its extremely onerous character and extreme instability – the Russian Soviet Republic has gained an opportunity to concentrate its efforts for a while on the most important and most difficult aspect of the socialist revolution, namely, the task of organisation . . .

It also goes without saying that we shall be able to render effective assistance to the socialist revolution in the West, which has been delayed for a number of reasons, only to the extent that we are able to fulfil the task of organisation confronting us . . .

For the first time in human history a socialist party has managed to complete in the main the conquest of power and the suppression of the exploiters, and has managed to *approach directly* the task of *administration*. We must prove worthy executors of this most difficult (and most gratifying) task of the socialist revolution . . .

The decisive thing is the organisation of the strictest and country-wide accounting and control of production and distribution of goods. And yet, we have *not yet* introduced accounting and control in those enterprises and in those branches which we have taken away from the bourgeoisie; and without this there can be no thought of achieving the second and equally essential material condition for introducing socialism, namely, raising the productivity of labour on a national scale . . .

Now we have to resort to the old bourgeois method and to agree to pay a very high price for the 'services' of the top bourgeois specialists. All those

who are familiar with the subject appreciate this, but not all ponder over the significance of this measure being adopted by the proletarian state. Clearly, such a measure is a compromise, a departure from the principles of the Paris Commune and of every proletarian power, which call for the reduction of all salaries to the level of the wages of the average worker, which call for fighting careerism, not with words, but with deeds.

Moreover, it is clear that such a measure not only implies the cessation – in a certain field and to a certain degree – of the offensive against capital (for capital is not a sum of money, but a definite social relation); it is also *a step backward* on the part of our socialist Soviet state power, which from the very outset proclaimed and pursued the policy of reducing high salaries to the level of the wages of the average worker . . .

It becomes immediately clear that while it is possible to capture the central government in a few days, while it is possible to suppress the military resistance (and sabotage) of the exploiters even in different parts of a great country in a few weeks, the capital solution of the problem of raising the productivity of labour requires, at all events (particularly after a most terrible and devastating war), several years. The protracted nature of the work is certainly dictated by objective circumstances . . .

The Russian worker is a bad worker compared with people in advanced countries. It could not be otherwise under the tsarist regime and in view of the persistence of the hangover from serfdom. The task that the Soviet government must set the people in all its scope is – learn to work. The Taylor system, the last word of capitalism in this respect, like all capitalist progress, is a combination of the refined brutality of bourgeois exploitation and a number of the greatest scientific achievements in the field of analysing mechanical motions during work, the introduction of the best system of accounting and control, etc. The Soviet republic must at all costs adopt all that is valuable in the achievements of science and technology in this field. The possibility of building socialism depends exactly upon our success in combining the Soviet power and the Soviet organisation with the up-to-date achievements of capitalism . . .

It would be extremely stupid and absurdly Utopian to assume that the transition from capitalism to socialism is possible without coercion and without dictatorship. Marx's theory very definitely opposed this petty bourgeois-democratic and anarchist absurdity long ago. And Russia of 1917–18 confirms the correctness of Marx's theory in this respect so strikingly, palpably and imposingly that only those who are hopelessly dull or who have obstinately decided to turn their backs on the truth can be under any misapprehension concerning this. Either the dictatorship of Kornilov (if we take him as the Russian type of bourgeois Cavaignac [the general who had suppressed the uprising of Paris workers in June 1848]) or the dictatorship of the proletariat – any other choice is *out of the question* for a country which has gone through an extremely rapid development with extremely sharp

turns and amidst desperate ruin created by one of the most horrible wars in history . . .

There is absolutely *no* contradiction in principle between Soviet (*that is*, socialist) democracy and the exercise of dictatorial powers by individuals. The difference between proletarian dictatorship and bourgeois dictatorship is that the former strikes at the exploiting minority in the interests of the exploited majority, and that it is exercised – *also through individuals* – not only by the toiling and exploited masses, but also by organisations which are built in such a way as to rouse these masses to the work of history-making. (The Soviet organisations are organisations of this kind.)

Sources: Lenin, 'The Immediate Tasks of the Soviet Government', April 1918, Selected Works, pp. 401, 402, 404, 406, 409, 415, 417, 420, 424; 'Ocherednye zadachi sovetskoi vlast', PSS, vol. 36, pp. 167, 168, 173, 175, 179, 187–8, 189–90, 194, 199.

Document 3.11 The Left Communists and Economic Management

The Left Communists were not willing to accept what appeared to them to be the fundamental repudiation of the aspirations of October. The issues raised earlier by Bogdanov about the role of the party and the proletariat in the revolutionary process were once again aired. The Left Communists advocated revolutionary construction from below and argued that workers should retain a high degree of independent initiative through workers' control. They condemned the trend towards centralism and dictatorial leadership in the new system, and thus once again, as Bogdanov had done earlier, challenged the fundamental postulates of Lenin's view of the vanguard role of leadership. In a series of 'Theses on the Present Moment' presented to a conference of party leaders on 4 April 1918, the Left Communists outlined what they saw as the stark choices facing the country.

10 The party of the proletariat is faced by a choice between two paths. One is the path of preserving and strengthening the part of the Soviet state that remains intact, which is at present from the economic perspective – considering that the revolution remains partial – only an organisation for the transition to socialism (in views of incomplete nationalisation of the banks, capitalist forms of finance enterprises, the partial nationalisation of enterprises, the predominance of small-scale farming and small property-holding in the village, and the efforts of the peasants to solve the land question by dividing up the land). But from the political viewpoint this path may, under cover of the dictatorship of the proletariat supported by the poorest peasantry, transform itself into an instrument for the political rule of the semi-proletarian petty bourgeois masses, and become merely a transitional stage to the complete rule of finance capital.

This path can be justified – in words – as an attempt to preserve at all costs the revolutionary forces and Soviet power for the international revolution, even if in ‘Great Russia’ alone. In this case every effort will be directed towards strengthening the development of productive forces towards ‘organic construction’, while rejecting the further smashing of capitalist production relations and even their partial restoration.

11 . . . The economic policy which corresponds to such a course will have to develop in the direction of agreements with capitalistic businessmen, both ‘native’ and the international ones who stand behind them . . .

The policy of administering enterprises on the principle of broad participation of capitalists and semi-bureaucratic centralisation is naturally accompanied by a labour policy directed at the establishment among workers of discipline disguised as ‘self-discipline’, the introduction of obligatory labour for workers (such a project was proposed by the rightist Bolsheviks), piecework payment, lengthening of the working day, etc.

The form of state control of enterprises must develop in the direction of bureaucratic centralisation, of rule by various commissars, of the deprivation of local soviets of their independence, and in practice the rejection of the type of ‘commune state’ administered from below. Many facts demonstrate that a definite tendency in this direction is already taking shape (decree on the control of the railways . . .)

12 The introduction of labour discipline in connection with the restoration of capital leadership in production cannot essentially increase the productivity of labour, but it will lower the class autonomy, activity and degree of organisation of the proletariat. It threatens the enslavement of the working class, and provokes the dissatisfaction both of the backward parts and of the vanguard of the proletariat. To impose this system with the intense class hatred prevalent in the working class against ‘capitalists and saboteurs’, the Communist Party would have to gain the support of the petty bourgeoisie against the workers and thereby put an end to itself as the party of the proletariat . . .

13 Proletarian communists consider a different political course essential. Not the policy of preserving a Soviet oasis in the north of Russia with the help of concessions that transform it into a petty-bourgeois state. Not a transition to ‘organic internal work’, under the consideration that the ‘acute period’ of the civil war is over.

The acute period of civil war is over only in the sense of the absence of an acute necessity to apply predominantly the sharpest physical measures of revolutionary violence. Once the bourgeoisie is beaten and is no longer capable of open fighting, ‘military’ methods are for the most part inappropriate. But the sharpness of the class contradiction between the proletariat and the bourgeoisie cannot diminish; as before, the proletariat’s attitude towards the bourgeoisie is total negation, its annihilation as a class. The end of the acute period of the civil war cannot mean that deals are possible with

the remaining forces of the bourgeoisie, and the ‘organic construction’ of socialism, which is undoubtedly the pressing task of the moment, can be accomplished only by the efforts of the proletariat itself, with the participation of qualified technical experts and administrators, but not by any kind of collaboration with the ‘privileged elements’ as such.

The Russian workers’ revolution cannot ‘save itself’ by leaving the path of international revolution, constantly avoiding battle and retreating in the face of the onslaught of international capital, and making concessions to ‘native capital’.

From this point of view three things are necessary: a decisive class internationalist policy, combining international revolutionary propaganda by word and deed, and strengthening the organic links with international socialism (and not with the international bourgeoisie); decisive resistance to all interference by imperialists in the internal affairs of the Soviet republic; refusal of political and military agreements which make the Soviet republic a tool of the imperialist camp . . .

The administration of enterprises must be placed in the hands of mixed bodies of workers and technical personnel, under the control and leadership of local economic councils. All economic life must be subjected to the organised influence of these councils, elected by workers without the participation of the ‘privileged elements’, but with the participation of the unions of technical and service personnel in the enterprise.

No capitulation to the bourgeoisie and its petty-bourgeois intellectual henchmen, but defeat of the bourgeoisie and the final smashing of sabotage. The final liquidation of the counterrevolutionary press and counterrevolutionary bourgeois organisations. The introduction of labour duty for qualified specialists and intellectuals; the organisation of consumer communes; the limitation of consumption by the prosperous classes and the confiscation of their surplus property. In the countryside the organisation of an attack by the poorest peasants on the rich ones, the development of large-scale socialised agriculture, and support for forms of working the land by the poor peasants which are transitional to socialised farming . . .

The granting of broad independence to local soviets and not the restricting of their activities by commissars sent by the central authorities. Soviet power and the party of the proletariat must find their support in the class initiative of the broad masses, to the development of which all efforts must be directed . . .

15 The proletarian communists define their attitude toward the majority of the party as the position of the left wing of the party and vanguard of the Russian proletariat, maintaining full unity with the party insofar as the policy of the majority does not provoke an unbridgeable split in the ranks of the proletariat itself. They define their attitude toward the Soviet power as a position of unqualified support of that power at a time of necessity, by means of participating in it insofar as the confirmation of the peace has removed

from the agenda the question of responsibility for this decision and has created a new objective situation. This participation is possible only on the basis of a definite political programme, which would prevent the deviation of the Soviet power and the majority of the party on the ruinous path of petty-bourgeois policies. In the event of such a deviation the left wing of the party will have to adopt the position of an effective and responsible proletarian opposition.

Source: Kommunist, no. 1, 20 April 1918, in Ronnie Kowalski (ed.), Kommunist: A Weekly Journal of Economic, Political and Social Opinion, Publications of the Study Group on the Russian Revolution 9 (Millwood, NY, Kraus International Publications, 1990), pp. 18, 19, 20, 21-2, 22-3, 23, 24.

Document 3.12 Workers Protest Against Bolshevik Dictatorship over Workers

Worker and student protests against the dissolution of the Constituent Assembly had already been dispersed by force in Petrograd and elsewhere in January 1918. In the spring of that year worker protests against Bolshevik dictatorship continued, in particular on the railways (whose union had most firmly favoured coalition in November 1917). In Petrograd this took the form of the establishment of assemblies of worker 'plenipotentiaries' [upolonomochennykh] elected from the workplace – they deliberately avoided using the word 'soviet'. A delegation of Petrograd workers to Moscow sent the following report back to their comrades.

Comrade workers,

Fulfilling your instructions, we set out for Moscow to inform Moscow workers about the difficult condition of the Petrograd proletariat and to consult with their representatives about ways and means of improving the condition of the working class of all Russia, restoring its independent organisations, saving our sinking revolution, and freeing Russia from the foreign yoke and fragmentation.

In Moscow we found much in common with Petrograd. The workers are similarly impoverished and similarly lack class organisations that would defend their interests. Constant lack of food is becoming genuine famine, the Soviets have become isolated from the workers and have become the mouth-pieces of the anti-worker and anti-revolutionary policies of the Council of People's Commissars and only take into account the will and orders of the government bosses and least of all the wishes and aspirations of the workers down below. Martial law has been declared. Newspapers are being closed by the dozen. Freedom of speech has been suffocated. Meetings have been banned. Arrests are being made among workers. The Okhrana-type organisation called 'the commission for the struggle against counter-revolution'

[the Cheka] has been granted the right to shoot without trial or the least investigation and is widely using this right . . .

Protest against repression. Free yourselves from the captivity of the Bolshevik autocracy . . .

Source: M. S. Bernshtam (ed.), Nezavisimoe rabochee dvizhenie v 1918 godu: dokumenty i materialy (Paris, YMCA-Press, 1981), pp. 204-5, 207.

Attempts by the Petrograd delegation to meet with Moscow workers were impeded by the Cheka, and ultimately the delegation itself was arrested. At this point the Bolsheviks, recognising a direct threat to their power, decided to eliminate the threat posed by an independent workers' organisation and arrested groups of workers involved in the plenipotentiary movement, often in the workshop itself. There could be no more clear evidence of the divergence between the workers' and the Bolshevik revolution – the temporary (and grudging) alliance of October 1917 was over. All that remained was the Bolshevik rhetoric of worker power. It was at this time (14 June 1918) that the Right and Centre SRs and the Mensheviks were expelled from the central and local soviets.

Critics of the Bolshevik Revolution

Plekhanov, in October 1917, had argued that there was no chance for a political revolution in Germany, but it took another year of pointless mass slaughter on the Western Front for the German revolution to break out, leading to the overthrow of the Hohenzollern monarchy and the establishment of a republic. Attempts to transform this 'political' revolution into a 'social' one met the resolute hostility not only of the property-owning classes, but of the moderate social democrats. The German revolutionaries, notably Luxemburg and Kautsky, still had time to comment on the Russian revolution.

Document 3.13 Luxemburg on the Russian Revolution

While welcoming Lenin's achievement in having 'put socialism on the agenda', she warned that Lenin's methods of seizing and retaining power would undermine the very purposes of socialism. For her, socialism was inseparable from democracy, and she remained to the end of her life an ardent believer in the creative capacity of humanity. Socialism, as she saw it, was to extend democracy beyond the limits imposed by bourgeois capitalist rule, not to eliminate even that limited democracy. While recognising that revolutions were not made in salons, she nevertheless regarded the dictatorial elements as temporary and to be balanced by the extension of democracy. No party, for her, had a monopoly on wisdom: a revolution was to reflect the free spontaneous creativity of the masses. All this was a far cry from Lenin's dictatorship.

Source: Leon Trotsky, Terrorism and Communism: A Reply to Karl Kautsky, first published 1920 (London, New Park Publications, 1975), pp. 45–6, 46–7, 63, 78–9, 124, 146.

Document 3.19 The Democratic Centralists

Trotsky's views did not go unchallenged. The Democratic Centralists, the successors to the Left Communists, as a group had first emerged in December 1918, and thereafter advocated a type of 'Bolshevik constitutionalism', the regulation and thus the ordering of what had become capricious and arbitrary personalised rule and bureaucratised decision-making by committees far removed from the lives and concerns of the workers themselves. They condemned the tendency for party 'centres' to substitute for the activity of the whole party, and in particular condemned the way that the party had usurped the role of the soviets. One of their most eloquent spokesmen was V. V. Osinskii, who had been a leading Left Communist in 1918.

I propose to make a series of amendments and additions to Comrade Trotsky's theses . . . First of all I want to give the basis for the amendment which we are introducing on the question of militarisation.

What is happening now at the congress is the clash of several cultures. Our system has given birth to different cultures: we have created a military-Soviet culture, a civil-Soviet culture, and the trade unions have created theirs. Each of these forms of our movement has its own approach to things and has created its own practices. Comrade Trotsky has posed the question from the point of view of a man coming from the sphere of military culture; we approach it from the point of view of the civil sphere, and, finally, the trade union comrades pose it in their own way. They have presented it the most poorly, insofar as they have for a long time been considering only the need to protect the workers from militarisation and to keep labour free, etc.

I want first of all to establish that we approached the question of militarisation earlier than those from the other cultures, and from the other side . . . I radically reject the proposition that we oppose militarisation *per se* . . . We are against the excessive extension of the concept of militarisation, we are against the blind imitation of military models . . .

Comrade Lenin has revealed here today a very original understanding of democratic centralism . . . Comrade Lenin says that all democratic centralism consists of is that the congress elects the Central Committee, and the Central Committee governs . . . With such an original definition we cannot agree. We consider that democratic centralism – a very old concept, a concept clear to every Bolshevik and fixed in our rules – consists of carrying out the directives of the Central Committee through local organisation; the autonomy of the latter; and their responsibility for individual spheres of work. If party work is broken down into several branches with special departments,

and if these departments are under the general direction of the local organisation, just as the departments of the soviets are under the authority and direction of the provincial executive committee – this is democratic centralism, i.e., the execution of the decisions of the centre through local organs which are responsible for all the particular spheres of work in the provinces. This is the definition of democratic centralism, a system of administration preserved from bureaucratism and closely associated with the principle of collegia . . .

If you reduce the collegial principle to nothing in our institutions, this entails the downfall of the entire system of democratic centralism. I advise careful thought about this, although the speakers following me may try to 'besmirch' this argument. Bearing this in mind, we will conduct an unyielding struggle against the principle of one-person management . . .

Source: V. V. Osinskii, 'Minority Report on Building the Economy', Ninth Party Congress, March 1920, Devyatyi s'ezd RKP(b) (mart-aprel' 1920g): protokoly (Moscow, Politizdat, 1960), pp. 115, 116, 121–2, 123.

Document 3.20 Lenin Condemns Leftist 'Infantilism'

Once again, Lenin's response to criticisms within Russia and in the Third Communist International (Comintern), established in March 1919, of over-centralisation and expediency was robust. He accused of 'petty bourgeois infantilism' those who criticised compromises, going so far as to suggest that those who objected to the draconian discipline that was being imposed on the party were effectively agents of imperialism.

At the present moment in history, however, it is the Russian model that reveals to *all* countries something – and something highly significant – of their near and inevitable future. Advanced workers in all lands have long realised this; more often than not, they have grasped it with their revolutionary class instinct rather than realised it. Herein lies the international 'significance' (in the narrow sense of the word) of Soviet power, and of the fundamentals of Bolshevik theory and tactics . . .

It is, I think, almost universally realised at present that the Bolsheviks could not have retained power for two and a half months, let alone two and a half years, without the strictest, truly iron discipline in our party, or without the fullest and unreserved support from the entire mass of the working class, that is, from all thinking, honest, devoted and influential elements in it, capable of leading or carrying with them the backward strata.

The dictatorship of the proletariat means a most determined and most ruthless war waged by the new class against a *more powerful* enemy, the bourgeoisie, whose resistance is increased *tenfold* by their overthrow (even if only in a single country), and whose power lies, not only in the strength of