Bob Arnot. <u>Controlling Soviet Labour: Experimental</u>

<u>Change from Brezhney to Gorbachev.</u> Armonk, NY, M.E.

Sharpe, 1988. Inc. vx, 305 pp., glossary, appendix, notes, bibliography, name and subject indexes. \$39.95

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Technology Policy Center, State University of New York Institute of Technology, Utica Controlling Soviet Labour is primarily an analysis of recent attempts to reform Soviet work institutions. The initial portion of the book develops a theory of the Soviet social formation which stresses problems in labor discipline. The bulk of the book is a detailed analysis of the Shchekino experiment, which began as an attempt to change work organization in a chemical plant but was extended broadly, and similar reform efforts of the 1970s and '80s. The analysis of these experiments links their failure to the term of the initial theory. It also implies a similar fate for any initiative which fails to confront the basic contradictions of the Soviet political economy. The brief conclusion is pessimistic regarding the options available to Gorbachev at the time of writing (1986?). That the most recent events in the Soviet Union pass beyond what seemed possible to Arnot at that time provides some justification for an underdeveloped conclusion. Arnot acknowledges two theoretical influences. One is the resurgence of interest in the labor process occasioned by the work of Harry Braverman; he wishes to place "point of production" events at the center of social dynamics. The other influence is the argument, contained in the British left journal Critique and especially the work of his teacher, Hillel Ticktin, "that the methodology of Marxist political economy can provide the basis for understanding non-capitalist social formations" (p.4).

Arnot's book is empirically quite convincing. If his analysis is correct, there is little reason to be hopeful that the Soviet social formation will survive in its present form, let alone emerge from this period of crisis to provide the world with an appealing vision of an alternative future. In this review, I will concentrate on Arnot's theory. While I have recently developed some interest in Eastern Europe, I am not a Sovietologist, nor am I well versed in Soviet economics. I

do have a more than passing interest in Marxist theory and in the labor process, and I do believe that current events in the Soviet Union have a profound impact on global futures.

The Contradictions of the Soviet Social Formation

Arnot's model of Soviet society is decidedly Marxist, although he takes pains to separate his views from those of most other contemporary Marxists, either East or West. His desire is to show theoretically why the experiments on which he wishes to concentrate are doomed to fail, as they misrepresent the fundamental problems of societies of the Soviet type. To grasp these problems, one needs a specific political economy of the Soviet Union, one which connects specific economic problems to "the antagonistic nature of the social relations of production in the USSR" (p. 2).

For Arnot, the job of political economy is to explain the main mode of production, and the key to this is identifying how the surplus is produced, something which varies from society to society and time to time. The mode of production conditions and is conditioned by the class structure. The volume of the surplus is affected by the ability of direct producers to resist the control of the dominant class over the labor process through which the surplus is produced and assert their own forms of control—the negative control of the day to day class struggle.

Arnot argues that contemporary Soviet and most Western analyses, even ones purporting to be Marxist, fail to correctly analyze the Soviet situation because they fail to start at the analysis of surplus extraction and control (p. 29). He posits a ruling group which is constrained in its ability to extract and control a growing surplus by specific historical conditions, like the need to maintain low food prices and a sphere of influence on the world stage, but mostly by specific limits on control of labor. He argues that the ruling group and workers are highly dependent on each other. By abolishing unemployment, the ruling group provided Soviet workers with an important degree of economic security. Further, wage leveling loosens the tie of reward to effort, as does the relatively high proportion of use-values which are not obtained through money; e.g., a flat or health care obtained through your job. Ultimately, Arnot argues, "the Soviet workforce is controlled by neither the stick of unemployment nor the carrot of increased wages. Labour power cannot be considered a commodity because for this to be the case labour would have to be free... Economic regulation in the USSR can be seen in terms of

overt and continual state intervention because the social relations of production are necessarily transparent...The veil of commodity fetishism does not hide the political nature of economic decisions from the direct producers" (p. 37).

A number of implications follow from such an analysis of the social relations of production: effective planning is impossible because managers don't have sufficient control, there is a tendency toward overmanning (personing) of worksites, a tendency to underestimate potential for production, and so forth. (Many readers of AEER will have heard similar arguments from anthropologists like John Cole). Theoretically, Arnot concludes that there is nothing in the Soviet political economy comparable to the law of value in a capitalist system, an entity which among other things would provide "an unambiguous objective medium through which managerial performance can be assessed" (p. 39). The inability of reform to accomplish its objectives is rooted in the structural properties of the mode of production.

Problems in Arnot's Theory

There are two parts of Arnot's analysis which give me pause. One is the tendency, which emerges in the comment quoted above, to present a somewhat idealized view of the "functioning" of the operation of a capitalist system-- e.g., the implication that capitalism's mechanisms have "objectivity." Arnot shares this tendency with others who take a "political economistic" reading of Marx. While the operation of capitalism may be hidden behind of veil of commodity fetishism, once the veil is removed-- a primary task of the political economic analysis of capitalism-- the underlying anti-rationalities of class domination can be analyzed. Too often, Arnot appears to be comparing the actual workings of Soviet society with the purported workings of capitalist ones.

My second problem is his ambiguous use of the notion of class, especially his refusal to apply the notion to the Soviet Union. He asserts that political economy involves the analysis of class and the generation of surplus. He correctly emphasizes that class is a relational concept, and he is appropriately critical of those analyses which would reduce the interest of a posited dominant stratum in Soviet society to the privileges of the nomenklatura. Yet even though his whole analysis depends on the posited existence of such a stratum, he refused to call them a class, preferring "ruling group." Indeed, in his conclusion, he rejects class analysis altogether:

...The concept of class is adjudged to be inappropriate in the Soviet context. What exists are direct producers who produce a surplus which is extracted by a ruling group...The relationship between these elements in the surplus extraction process and their composition are in a state of continual flux. In other words, there are classes in the process of 'becoming,' they are not finished and formed in an unambiguous relationship to one another (p. 252).

This appears to reserve the notion of class only for "classes-for-themselves," whereas classes-in-themselves have long been foci of Marxist analysis. It is unclear what Arnot gains by this move. Further, if there are no classes, is one justified in focusing analysis on the generation of surplus and class analysis-- even political economy-- in general? Arnot's shyness about using class leads to ambiguity in drawing implications from his work.

Interpreting Experimentation in the Soviet Economy

Arnot's analysis of Shchekino and related experiments in workplace organization appears to be first rate. He has read widely in various Soviet sources, and he uses them to construct a compelling picture of a pattern of innovation, with initial positive results, followed by bureaucratization, watering down, and falling off of benefits. Arnot does a good job of showing how a variety of reforms come ultimately to fit a similar pattern, clearly suggesting limits to what is possible.

This general pattern is certainly compatible with the theoretical analysis Arnot develops, but his conclusion is too brief to constitute an argument that his is the only correct analysis. At a policy level, Arnot presumes that a return to either the unlimited direct exploitation of the Stalin years, or the imposition of a capitalist law of value, are impossible:

If the return to overt force in (sic) impossible, if direct attempts at raising the level of exploitation are likely to provoke hostility and if the law of value cannot easily be reinstated, this provides an explanation for the necessity for experimentation (p. 253).

It would appear, however, that something like the latter is the aim of the most influential group of current Soviet economic advisors. Still, the actual proposals of May 1990, appear to have a quality of halfheartedness quite compatible with the "limited reform" analysis Arnot presents.

Conclusion

I would imagine that a neo-conservative, if able to overcome revulsion at Arnot's Marxist framework would ultimately find sympathy with his analysis. His picture of the Soviet system appears to offer no way out except the discipline of a capitalist market in labor. For those of us who would prefer a communist alternative, one which combines the benefits of a social system capable of generating a substantial surplus with humane mechanisms for allocating these benefits, Arnot offers little.

Arnot's analysis of the dynamics of Soviet reform is clearly thorough and convincing in its own terms. The inadequacies of his class analysis and the related political economistic, overly structural character of his theory of mode of production have been noted. His work poses a challenge to those of us who wish to encourage a more hopeful future. Such a view might be based on the wage leveling, preference for social over individual provision and working class identity which also seem to be characteristics of the Soviet social formation. What cultural process would be necessary if a structure which includes a quasi-class or "ruling group" were to be transformed into one with "real" workers' control? Such issues suggest that there is still some space for a more anthropologically informed analyses of Soviet-type social formations.