Communism

What is communism? From the mid-1940s on to the early 1990s, much of American foreign policy was aimed at countering the influence of communism in the world. Yet, even today, many Americans do not have a very clear understanding of that doctrine.

Communism as it is known in today's world was born in Europe in the middle of the last century. It is a political, economic, and social theory built by Karl Marx and then, especially in the Soviet Union, by Vladimir Lenin and Josef Stalin.

Karl Marx's Communist Theory

Communism is often called a collective ideology. That is, it is a theory that calls for the collective, or state, ownership of all land and other productive property. As you have read, its basic concepts were first set out in The Communist Manifesto, written in 1848 by Karl Marx and Friedrich Engels. This political document condemned the misery and the exploitations of the Industrial Revolution in Europe, and it called upon oppressed workers across the continent to free themselves from "capitalist enslavement." The pamphlet ended with this rallying cry:

"The proletarians have nothing to lose but their chains. They have a world to win. Workingmen of all countries, unite!"

In his major work, Das Kapital (first published in 1867), Marx analyzed the development and workings of capitalism from its historical roots. It presented Marx's view of capitalism based on four closely related concepts: (1) his theory of history, (2) the theory of value and capitalist accumulation, (3) his view of the nature of the state, and (4) the dictatorship of the proletariat.

Based on his ideology, Marx envisioned communism as a "free, classless society"—a society in which all social classes would vanish and all property would be owned by all people in common. There would be no exploitation of labor and no unemployment. Goods would be produced in abundance, and they would be available to all according to need. People would be happy to work hard, pleased to contribute their best for the benefit of all.

The Marxian View of History To Marx, all of human history has been a story of class struggle—of conflict among social classes competing for the control of labor and of productive property. In that view, there have always been two major and opposing classes in society—one an oppressor class and the other an oppressed class. Thus, in the Middle Ages the contending classes were the nobility and their serfs. In the modern world it is the bourgeoisie who keep the proletariat in submission.

Marx's doctrine held that the conflict between the classes would become so intense in the modern era that a revolt of the masses and the downfall of the bourgeoisie would be inevitable. The communists' political role was that of speeding up these revolutionary processes, by violence if need be.

The Labor Theory of Value In the communist view, the value of every commodity is set
by the amount of socially useful labor put into it. In short, labor creates all value. A pair of shoes or a rebuilt engine is each worth so much because it takes that much labor to produce it. Because the laborer made the shoes or rebuilt the engine, the communist argues that the laborer should receive that value in full.

Marxists reject the free enterprise notions of competition and profit. Competition, they say, forces the capitalist to drive workers’ wages down to the lowest possible point. Profits are condemned as “surplus value,” wrung from the grinding toil of the masses.

The Nature of the State  Marx saw the state and its government as the instrument of the dominant class in society—a tool by which the capitalists maintained their power and privileged position. Other social institutions were also seen as playing a role in enforcing capitalist control over the masses. Thus, Marx described religion as “the opiate of the people.” Religious beliefs, he wrote, are a drug fed to the masses, a hoax through which they are persuaded to tolerate their harsh lot in this life in the hope that someday they will gain what Marx called a “fictional afterlife.”

The Dictatorship of the Proletariat  Marx did not believe that the final form of communist society would appear immediately upon the overthrow of the bourgeoisie. He saw the need for a transitional phase during which the state would represent and enforce the interest of the masses. This was called, in Marx’s terminology, the “dictatorship of the proletariat”—a period of authoritarian rule through which society must pass on the way to the goal of a classless society. He argued that once the goal of classlessness was realized, the need for the state and its government would disappear.

Marx also expected that the bonds of common interest between workers in different countries would be so strong that they would overshadow national identities and national loyalties. Thus, for example, he thought that French and German factory workers would come together on the basis of their shared economic situation—and so nationalism, a major cause of European wars, would be eliminated with the establishment of communism.

Communism in the Soviet Union

Marx was convinced that the world’s most advanced industrialized countries, with their large working-class populations, were ripe for revolution. In particular, Marx expected that workers’ revolutions would occur in France, Germany, and Great Britain, and then in the United States. But, that revolution actually occurred in the largely agricultural Russia in 1917; and with that upheaval came the creation of the world’s first communist state.7

7In his later years, Marx did recognize the possibility that his theories might first be tested in practice in Russia. Lenin also took the Russia-first view, in the early 1900s. He thought that less advanced countries, with their comparatively small industrial populations, offered certain advantages to a revolutionary movement—notably, the effectiveness with which workers could be organized and controlled.

The First Marxist  Karl Marx was an ardent critic of the capitalist system. He anticipated a violent rejection of capitalist ideals by the workers of the world.
Farming Under Communism  Contrary to Marx’s original expectation, communism first took root in largely agricultural Russia, not in the industrialized centers of Europe.

Marx’s analysis of capitalism did not provide a real blueprint—or anything close to one—for the formation of a communist society. This left the leaders of the Russian communist revolution with the task of interpreting his ideas for clues on what was to be done.

Communism Under Lenin  In November 1917, Lenin and his followers seized power in Russia, established a communist government, and began at once their attempt to create their vision of a communist society. The new government ordered the nationalization of all banks and large businesses, and it moved to create workers’ councils (soviets) in every enterprise to manage them. Outside the cities, Lenin encouraged the peasants to seize whatever land they could.

Lenin’s government was immediately torn by civil war—three years of brutal conflict in which several groups challenged communist rule. Lenin, using both military force and terror on a broad scale, was able to defeat his foes, who were divided and poorly led. But by 1921 conditions had become extremely grave throughout the country. Peasant revolts had broken out in several places, and the threat of famine was widespread.

Lenin realized that the attempt to create an instant communist society had failed, and in 1921 he introduced the New Economic Policy, NEP. The NEP was a clear compromise between socialist principles and capitalism that was intended to revive agricultural production and promote manufacturing. The government continued to control what Lenin called the “commanding heights”—heavy industry, banking, foreign trade, wholesale commerce, and transportation. But private ownership of rural land and trade for profit were allowed to flourish. Said Lenin: “If we cannot go to communism directly, we shall zigzag to it through socialism.”

By the time Lenin died in 1924, the Soviet Union had become a one-party state. All opposition to communism had been banned, and the communists had taken control of all of the country’s social, political, and economic institutions.
Communism Under Stalin  Lenin’s death prompted a fierce struggle for power among his chief aides. Josef Stalin defeated his several rivals one by one, and he gained complete control of the Communist party and the government of the Soviet Union by 1928. For the next 25 years, Stalin ruled with an iron fist. As you have read, the Soviet economy and its influence abroad grew rapidly—but at a huge cost in human life and personal freedom.

Under Stalin, the 1930s were dominated by two major economic programs: the forced collectivization of Soviet agriculture and the rapid industrialization of the country’s economy.

The NEP was ended in 1928. Stalin and others feared that its successes meant that free enterprise was gaining a foothold in the Soviet Union; and they also thought that steel and other heavy industries had received too little attention by the NEP. In its place came centralized economic planning for the entire country and the First Five-Year Plan.

The Five-Year Plans  The five-year plans marked the first attempt by any society to combine large-scale centralized planning with the public ownership of the means of production as the basis for a nation’s economic advancement. The First Five-Year Plan ran from 1928 to 1933.

The plan was dominated by two major goals: (1) collectivization—the combining of millions of small peasant farms into giant collective, government-controlled farms, called kolkhozy, and (2) huge production increases in the nation’s chemical, petroleum, machine tool, construction, steel, and other heavy industries.

Stalin ordered the creation of the kolkhozy in 1929. There was great resistance from the largest, most prosperous landholders whose numbers had grown under the NEP. They killed their livestock and destroyed farmland as an act of resistance. Party zealots from the cities invaded the rural areas, killing hundreds of thousands of peasant families and sending many more to labor camps in Siberia and Central Asia.

The First Five-Year Plan also aimed at bringing a greatly expanded industrial capacity to the Soviet Union. That goal was also emphasized in the Second and Third Five-Year plans. By concentrating Soviet resources on the development of heavy industry, Stalin hoped to end the nation’s economic backwardness and reduce its military vulnerability. The success of the collectivization of agriculture also depended on industrialization—because the farmers needed a source of farm machinery and gasoline.

The first three five-year plans were at least partial successes. The Soviet Union achieved rapid, if uneven, industrialization, but the need for consumer goods and urban services was ignored. Many products had to be rationed; housing shortages became common; and sewers, water systems, and other needs lagged behind a dramatic growth in urban population.

To spur greater production, Stalin also gave economic rewards and other incentives to party officials, bureaucrats, and factory managers. People with special talents—writers, artists, musicians, and athletes, for example—were also rewarded. Thus, Stalin created an elite class in the Soviet Union, a class that owed its privileged status to the Communist party and the state—and he also corrupted the Marxist ideal of the economic and social equality of all.

The Gorbachev Reforms

When Mikhail Gorbachev gained power in the Soviet Union in 1985, he inherited an economic system largely unchanged from the one built from 1928 to 1953 by Josef Stalin. It was an economic system directed by a totalitarian dictatorship. It was a very rigid command system driven by five-year plans created by central planners.

Gorbachev’s first statements as leader of the Communist party pledged the continuation of the old policies. However, he acknowledged that rapid economic improvement was the government’s most important goal. The ending of the Eleventh Five-Year Plan that year was marked by declining economic growth and worker output, which Gorbachev blamed on poor organization, complacency, and irresponsibility.

8The First Five-Year Plan, launched in 1928, was declared completed in 1932, nine months ahead of schedule. The second plan ran from 1932 to 1937 and the third from 1937 until it was interrupted by the German invasion of the Soviet Union in 1941.
New Economic Policies  Several months later, Gorbachev abruptly broke with the past, criticizing a draft of the Twelfth Five-Year Plan for not putting enough emphasis on capital reinvestment in existing factories and not addressing consumer demand. He blamed previous leaders for not changing the shape of Soviet economic activity.

Gorbachev proposed instead a program that covered not only the period of the next plan, but also the two that followed until the year 2000. Thus he articulated the economic aspects of perestroika, his plan for the reorganization of the Soviet system. To show his seriousness he ousted the chairman of the central planning commission who had served for 20 years.

Gorbachev’s plan for “radical reform” included more authority for local farm and factory managers, a more flexible pricing system, tying salaries to performance, and allowing enterprises to distribute production above planned levels “as they saw fit.” In 1987, the “Law of Individual Labor Activity” was passed, permitting private profit-making activities in 40 categories. It even allowed state workers to quit their jobs to pursue these personal opportunities.

Further details of economic perestroika even included competition among state enterprises for contracts; self-financing of operations, which would allow the reduction of state subsidies; and the application of “full-scale profit and loss accounting.” The proposals were approved by the party Central Committee in June 1987 and by the Supreme Soviet four days later.

In 1988 an official publication of the Communist party predicted the merging of socialism and capitalism in the Soviet Union. It observed, “We cannot ignore the experience of mankind as a whole, including the nonsocialist world.”

Political Changes  Three years of bold proposals could not undo more than 60 years of entrenched bureaucracy. This, coupled with such events as a terrible nuclear accident at Chernobyl, poor harvests, growing unrest in the republics, and the crumbling of its bloc of Eastern European allies, produced a failing economy by the beginning of 1990. Gorbachev was still in power, but his foundation was weak.

The Communist party was split into factions. One faction, the liberals, wanted the immediate shift to free market capitalism. The other group, the conservatives, wanted a slower transition. The conservatives feared that too swift a move would create severe unemployment and soaring prices, which would lead to social disorder. The liberals countered with the argument that “property in the hands of each individual is a guarantee of the stability of society.”

Debate over the various reform plans raged for nearly seven months in 1990. A compromise “President’s Plan” was finally adopted in October. It was less radical than the liberals wanted but much more radical than the conservative faction was willing to accept.

One month later, the first stock exchange in Soviet history was founded in Moscow, with the participation of 187 enterprises and banks. The

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The statement, from Pravda, was made by Vadim Medvedev, the official Communist party ideologist.
foremost symbol of American capitalism, the New York Stock Exchange, provided technical assistance for the Soviets.

**Remaking the Russian Economy** It is clear that the transition from a communist economy to a free market system and the movement toward democratic government that you read about in the previous chapter are closely linked, Much of Gorbachev’s performance prior to the coup in August 1991 was judged by the progress of his economic plan. And the decision to grant Russian President Boris Yeltsin the power to rule by decree was based on his plan to accelerate the restructuring of the economy.

The economic plan that Yeltsin instituted was radical. Its first phase called for the lifting of all price controls by the end of 1991, the privatization of all small and medium-sized farms and factories, the creation of a convertible currency, and basing trade with other former Soviet republics on hard currency exchange rather than on subsidies, as was previously the case.

The second phase of Yeltsin’s plan came only six months later. It emphasized the privatization of larger businesses and gaining control over the high rates of inflation that had been climbing since prices were deregulated.

The scale of these actions was unprecedented and the results have been uneven. Although more than 40,000 smaller enterprises were put into private ownership in the first fifteen months of the plan, production has remained sluggish; inflation has driven consumer prices beyond the means of most citizens; and the exchange value of the ruble has fallen drastically. In addition, the crime rate—particularly crimes against property—has soared in many Russian cities.

Thus far, no one has publicly called for a return to the old communist system. Conservatives would like to slow the pace of economic restructuring to ensure that social welfare needs can be met and to alleviate the poverty that some Russians are experiencing. Yeltsin and the radical reformers insist that Russia’s short-term pain will be outweighed by the future benefits of a free market economy. As an economic system and as a repressive political system, communism remains a major force in today’s world.

**Bastion of Communism** Though communism appears to be on the decline around the world, fully one-fifth of the planet’s population lives and works under the communist government of China.

The island nation of Cuba, off Florida’s coast, and China, the world’s most populous nation, still stand as examples of communist states.

**Section 3 Review**

1. **Define:** five-year plan, collectivization
2. On what four closely related concepts did Marx build communist ideology?
3. (a) Where did Marx believe the first communist societies would appear? (b) Why?
4. How well did Soviet communism follow the socialist ideal of economic and social equality?
5. What were the differing views of liberals and conservatives about Gorbachev’s reforms?

**Critical Thinking**

6. **Drawing Conclusions** (p. 19) Recall the statement on page 623: “Property in the hands of each individual is a guarantee of the stability of society.” What do you think this statement means?