

CENTRALLY PLANNED ECONOMIES

CENTRALLY PLANNED ECONOMIES: Strengths, Weaknesses and the Future

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Introduction

The topic of 'centrally planned economies' is a complex field of study. And our purpose here is not to contribute to a kind of expert knowledge about these economic systems; but to suggest how we, as Christians, can be helped in our reflection upon a responsible (re)structuring of economic life by understanding the working of centrally planned economies. We do know, on the one hand, that the many heavy problems of today's world are, in one way or another, interrelated with the economic structures which are present in this world. On the other hand we confess, as Christians, that even the heaviest economic problems—world poverty, world ecology and also, to some extent, world armament—are not in principle outside the healing power of the Kingdom of God. If we combine these two perceptions we start to see the implications of our Christian faith for the question of the structuring of human economic life. But we can answer this question only if we know something of the real outcome and character of the existing economic systems. Here, instead of a detailed treatment of diverse centrally planned economies, I will concentrate on the question of the constituent elements which make them all up. What dimensions do they have, and what results are thereby produced? What lessons can be learnt by Christians who want the Kingdom of God to be seen renewing the structures of economic life?

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What constitutes a centrally planned economy?

Centrally planned economies are usually seen as one specific variety of the group of so called 'economic systems'. And so it seems suitable to adopt the concept of 'economic systems' of the prevalent economic textbooks.¹ But we have to be cautious to ensure that we do not thus allow some essential dimensions of centrally planned economies to fall apart. For in the usual approach, economic systems are basically seen as nothing more than a specific answer to one question: namely how to *organize* economic life in the most efficient way. The goals or targets of a society are given

in terms of a so-called welfare function; and also a set of *means*; consisting of the quantity/quality of the labour population, the existing means and funds of capital and capital installations, the totality of natural endowments, and the know-how of a present technology. How, where, what, when, for whom to produce—these are the questions to be answered. Which question can bear on practice only if one or another form of organization is chosen and applied. Three sub-systems are usually seen to be necessary: a *coordination-system*, in which the separate decisions of producers and consumers are coordinated with each other; an *information-system*, which informs all economic subjects about what they should know and what they can, or should, do; and an *incentive or stimulation system* which urges the multitude of economic subjects to play their specific role. And so, in this usual textbook approach, only two or three possibilities come to the fore, because the quantity of possible answers to that set of organizational questions is very limited! You can take either the market or the central plan as the decisive coordination system. These are the only two possibilities in complex, modern economies. But as soon as the central plan is chosen as the coordination centre in which the tasks of the producers and the options of the consumers are formulated, then also the two other sub-systems are determined. For no planned economy can work without an authoritative



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vertical type of information in the planner-producer line, and without incentives which compel the subjects of the economy by sanctions to do what they have to do (command-economy).

Of course there is some truth in this approach. You cannot reach economic goals unless there is an order, a way of organization, which makes it possible to orient the means to the ends in a systematic way. But does this process of thinking truly reveal and illuminate the essence of what we call 'capitalism' and 'communism' as living socio-economic orderings of society? The answer to that question can only be negative. And this for at least two reasons.

Factual economic systems arise in history, and against a concrete cultural background.

The first reason is that a concrete ordering of society is always more than the deliberate adaption of a (static) organization scheme. Factual economic systems arise—gradually, or by revolutionary agency—in history, and against a concrete cultural background. To some extent, they can even be seen as the fruits of history, and as the expression of an existing culture. And this means that the economic systems which are present in reality, reveal more facets and deeper dimensions than the plan/market-dichotomy of the textbooks. The Japanese economic system and the USA economic system, for instance, belong in theory to the same variety of economic systems, namely the (mixed) market economy. But in fact they are very different in their economic features due to a different cultural background and history. It may be that the Japanese and Chinese economic systems, albeit they belong to different economic blocs, share real similarities, due to the prevalence of view of man—man in community more emphasized in Asian cultures than in Western culture (and expressed, for instance, in comparable arrangements about life-time employment in the two communalistic settings). In any case, it has to be stressed that concrete economic orderings of society never occur in an historical or cultural vacuum. Moreover, as soon as they start, they also choose their own historical patterns of development. Economic systems never remain just the same in time.

But there is also a second reason to be slightly suspicious about the usual concept of economic systems. Usually any reference to the spiritual dimension of the socio-economic orderings of society is left out. Yet it should be very clear that no social or economic ordering of society can exist without an indication of an answer to the questions of the meaning of life and the way in which human beings should live. No economic system in this way can ever be neutral! Perhaps a distinction would be useful here between heteronomous and autonomous economic systems. Heteronomous economic systems start by taking on board norms and values given from, or imposed from outside, to which the system wants to respond in one way or another. The Mosaic economic system for instance, is such an heteronomous—or more exactly, theonomous—economic system. It is embedded in the Torah and can be seen as a specific ordering of

economic life as a sustainable economy to the glory of God and in pursuit of *shalom* among men. Autonomous economic systems miss such a kind of orientation. But one kind of orientation or another has to be there. And therefore they relate economic processes only to self-chosen ends, either individually or collectively, and try to implement those ends which usually refer to a specific interpretation of human happiness. Of course, real economic systems may be a mixture of autonomy and heteronomy. Nevertheless, the distinction seems useful, because the decisive point is where the premises are lying and from where the process of ordering starts.

Now it is important to see that autonomous economic systems easily lend themselves to ideologies. By this I mean: beliefs which identify their self-chosen goals as the ultimate meaning of life, and which consequently legitimate all necessary means by a constant re-interpretation of all social norms and values. Ideologies in this sense give a spiritual status to the economic system in question. They permit the fulness of life to be made instrumental for the realisation of those absolutized goals.

These relationships between autonomous economic systems on the one side, and human culture and powerful ideologies on the other side, lead to a number of intriguing questions—especially in terms of the purpose of this paper. If we have to reflect upon possible attempts to re-structure economic life, and want to consider the use of *the market* or *central planning* in our discussion, how far can we go in presupposing that these devices are separately available? Can we have a market-economy, a centrally-planned economy, or parts of them, without an associated culture, without a complementary ideology? Or is the opposite true, that both the 'market-principle' as the 'planning-principle', as soon as applied in practice, adapt themselves to the colour of their new cultural and spiritual environment?

These questions are important enough to try to find an answer. And it may be that the way of operation and the ideological background of a concrete centrally planned economy, like Russia, is here of some help to us.

Autonomous economic systems easily lend themselves to ideologies.

Marxism, Leninism, and the Russian Command-Economy

It is impossible to trace the development and to understand the working of the centrally planned economy of Russia without a look into its ideological framework: the framework of what is called 'Marxism-Leninism'. Usually, if this is done, the discussion is in terms of a fixed, unchanging ideological background, in relation to which the centrally planned economy gradually comes to the fore, either in conformity, or in disconformity. But far more interesting is the question of how far an ideology changes in time and, perhaps, even has to change under the influence of practical events in the history of the economic system. How far, and to what extent, does a plan-economy create, strengthen, and change its own ideology? In terms of Russia, for example, can it be said that Lenin, to impose a centrally planned economy on

the country, *had* to revise Marx; and that later on, due to problems within this economic system, the Leninist ideology in turn *had* to change?

As to the first question there is indeed no doubt that Lenin had great trouble with many aspects of Marx's ideas. In Marx's view of economic systems there is a strong Jewish element. The labour class within capitalism is like the oppressed people of Israel in Egypt. They all suffer, they are all exploited; but justice, and therefore history, is on their side. No Pharaoh could stop the people of Israel taking the gold and silver of Egypt with them when they left. Similarly, for Marx, due to the dialectical laws of history, the oppressed labour class inherits inevitably the treasures of capitalism—its enormous capacity to produce—as soon as capitalism has fulfilled its historical mission. One can trust in that promise with scientific security.

A Jewish background—but in a fully secularized form! For there is no suffering Saviour outside the labour class; no sin, beyond exploitation; no promised land other than communism; no value but labour-value. For man is a tool-making animal by origin, and there is no history other than the history of the development of productive forces in time.

Now Lenin not only re-examines, but also has to rework all these Jewish elements in Marx's thought. Why? Because he does not *trust* world history in its inner goodness for the labour class. He does not even trust the labour class *itself*. And therefore he has to organise, plan and enforce to an extreme degree whereas Marx could wait, and was willing to wait. In the hands of Lenin, communism indeed becomes an ideology; it is forged into a weapon to force history to give room to the victory of the labour class. In this regard, at least four differences between Marx and Lenin can be traced.

- a) Abolished is the conviction that the ripe fruits of capitalism will fall almost by themselves in the lap of the labouring class. Now one has to 'organize' for revolution.
- b) Lenin rejects the opinion of Marx, that the labour class will choose spontaneously the correct way. Therefore he wants a vehicle—the party—which will represent the new conscious part of the labour class.
- c) Because man is, and remains, a social and political being in all his manifestations, the party is allowed to guide him in all the aspects of human life. Education becomes a party matter.²
- d) Also, Marx's view on the State is no longer adhered to by Lenin. Under Lenin, the state is increasingly accepted as a necessary phase in the process of transition of socialism into communism.

Looking at all these changes and reinterpretation of Marxism—which go so far that even the word 'Marxism' seems misplaced—it can hardly be upheld that Lenin had only at minor points another 'opinion'. Lenin wanted to *change* an existing historical situation in Russia by the act of his revolutionary *will*. And therefore he needed a theory, an ideology, which in all its aspects could support him and legitimate all his efforts to transform the Russian society into a centrally planned economy.

But let us look more carefully at what happened in practice. What kind of economic system did emerge? What were its strengths and weaknesses? And more important, is it correct to say that the ideology also had to change?

From 1971–1987: some highlights

The Russian Revolution in 1917 was, in fact, limited to the greater towns and cities in Russia. The enormous Russian countryside with its hundreds of thousands of small and isolated villages (*mirs*) still lived and worked according to fully feudal principles. The number of labourers in industry was not greater than 5 or 6 million, against 100 million farmers.³ Of course, it was the vivid hope of Lenin, and later on of Stalin, that the small farmers would deal with their exploiters—the rich farmers, or *koelaks*—as the industrial proletariat did with the industrial capitalists. But the ties in life and work between the poor farmers and the *koelaks* within the *mirs* proved to be too strong to produce a revolution. And this marked the beginning of an official effort to deport and, if necessary, to liquidate millions of rich farmers, for which Lenin before his death in 1924, had already given permission.

For this process of continued wrestling with a resisting and resentful agricultural population, and for the process of collectivization which follows, a strong bureaucratic apparatus is, of course, necessary. And, therefore, Lenin, and later Stalin, could not dispense with the tens of thousands of civil servants who already worked for the Czar. The old *imperium* revived. But also the ideology was in need of its first revision! Lenin began to write: 'Socialism is, in fact, nothing else than a state-capitalistic monopoly which now works for the benefit of the whole population and, therefore, has stopped being a capitalistic monopoly'.⁴ What remains, and has to remain, is the state!

From 1919 a series of five-year plans began to work. The centrally planned economy became a full-grown reality. And it was oriented to the goal of bringing the Soviet economy to an increase of production in most branches, but specifically in heavy industry. Therefore, the economic base of the Soviet economy had to be strengthened, which was possible only by a limitation of the growth of private consumption. Planning ceases to be only an helpful instrument—it becomes a *condicio sine qua non* for the authorities. And a similar first-order significance is given to making people permanently willing to work. For without a maximum input of all available labour, the goal cannot and will not be reached.

Now it is important to notice that the new situation is almost perfectly echoed in the development of the official doctrine of the communist party of the USSR. It is labelled as 'Marxism-Leninism'. But, in fact, Lenin is partially, and Marx almost fully, re-written. Some indications of that change are:

- (1) The historical account of man is altered completely, from the beginning to the end. Marx saw the first beginnings of man in the use of tools, the *homo faber*—and he dreamt about a society in which people have become fully free to do work or to have-leisure time: the *homo ludens*, the playing man. But in Marxism-Leninism, this view can no longer be supported. For it relativizes the ultimate meaning of work, and does not fully honour the principle, practice and necessity of planning. And therefore, in Marxism-Leninism, this view can no longer be supported. And therefore in Marxism-Leninism the beginnings of man on this earth are seen in the *use of language*, and the development of the human brain. And the real destination of man is seen in the capacity to decide one's own future, which means to *plan*.

Marxism-Leninism glorifies planning—social, economic, cultural—as indeed the climax of being human; and that within a society which works for ever.⁵ An interesting example of this view is the study of Igor Bestuzev Lada (of the Soviet Academy of Sciences), 'Window to the future', in which he tells us that every human being now has 15 progressive organs—like brains—17 regressive organs—like the appendix—and 107 rudimentary organs. By correct planning the development of the progressive organs can and must be accelerated. In Bestuzev Lada's opinion 'an optimistic view of the future, the incentive to plan, rationalization of work and life, and the subjugation of the instincts to the intellect are characteristic for man in a communistic society'.

- (2) Far more than Marx, and even more than Lenin, Marxism-Leninism stresses the necessity of a 'continued increase and perfection of the production on the base of a progressive technique'. This is even made into a basic principle for the whole ordering of society. The progress of the productive forces is no longer the ultimately given factor of human history, as Marx envisaged it; it is becoming a dependent factor, which therefore is and has to be the object of the continuous planning and wise attention of the ever-present, immortal party-state.

More differences could be mentioned.⁶ But the examples given here are sufficient to illustrate the fact that, as soon as a centrally planned economy is in operation, there will be a need for an almost permanent stream of accommodation of its 'ideology'. This is also not really surprising. For is not the essence and function of every ideology precisely this, that it is willing beforehand to instrumentalize all ethical valuations and normative considerations, just to make them serviceable to the absolutized goals whatever the situation may be?

But let us, in order to conclude this section, have a more careful look into the practical results of such a combined working of a centrally planned economy and its changing ideology. The strengths and weaknesses of such a combination can be easily seen in the present predicament of the Russian economy.

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The (im)perfect visible hand

Central planning no doubt has its beneficial side. *First*, it offers—at least in theory—a broader perspective of the 'general interest' than the market can usually offer. You can plan centrally for production and growth and also for the preservation of the natural environment; for a growing consumption of the needy; for the maintenance of the quality of labour. *Secondly*, planning is, at least in theory, less blind to the future than markets are. On the basis of a great deal of empirical material, Jan Tinbergen came to the conclusion that markets usually have no

longer time-horizon than about five years: long run predictions do not have any influence on present price movements. Planning can have a longer time-horizon. *Thirdly*, by central planning you can avoid in principle some of the economic problems of market economies. Price stability can be guaranteed to some extent, as well as full employment (with disguised unemployment as its price). Cyclical movements can be controlled. *Fourthly*, a centrally planned economy has, in theory, more possibilities of promoting a greater equality of incomes or, if one prefers, of giving priority to the fulfillment of basic needs above luxury needs. It is able to limit the continuous expansion of income and consumption, if that is necessary to fulfill other more stringent needs.

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It is an impressive list (and not exhaustive); even if at the same moment we discern the shadows which fall over the scene: namely the loss, or at least the decline of the freedom to choose, to produce, to own, and to live where one wants to live. It is well known that these liberties are highly appreciated in the west and are depreciated to a value of almost zero in the official communist view—which does not make it easy to come to a generally acceptable conclusion about the balance of these strengths and weaknesses. But from a biblical point of view, these negative sides are undoubtedly real. (However we have to be aware that the western view on these 'liberties' sometimes reveals traits of absolutization, as if there can be no higher good than the 'freedom to choose' in economic matters. I do not share this opinion).

But there is another real difficulty. Are the promises of the centrally planned economy also realisable in practice? Or is the joint working of a centrally planned economy with its complementary ideology almost prohibitive for a good outcome? Here, in these questions, we are confronted with the myth of the perfect visible hand, which differs so much from the imperfect visible hand in concrete reality.

To be sure that human social and economic planning reaches its goals, three conditions of perfection have to be fulfilled. The first condition is the condition of perfect knowledge; the second, of perfect rules; and the third of perfect obedience of the rules. But in relation to each one of these conditions the practice in the Russian plan economy shows that it is just impossible to reach perfection.

But with all this the *real failure* of Soviet society still lies elsewhere. It is in the domain of what is done in relationship to nature and to human beings. As far as nature is concerned, the Baikal lake is dead, the Chernobyl disaster is related to a lack of care for the environment, and the Volga River is heavily polluted.

Nove writes: 'The Soviet record on pollution has been as bad as that of most capitalist countries, since industrial enterprises and planners pursue planned objectives which make anti-pollution measures unprofitable'.⁷ But even more accusatory are the public statements of sincere Marxists and communists about the 'human condition' in their home countries in which they observe a constant denial of all their previous ideals. Bahro speaks about the 'denaturation' of the socialist ideology in the new ideology of oppression, with a new state religion and its catechism. And he states bitterly that the abolition of private property has led to no more than that now the whole society is without any protection against the machinery of the state.⁸ Marcuse points to the fact that now every freedom in the Soviet Union is so re-interpreted that it is made equal to 'security', and security is provided only by the state.⁹ And the Polish philosopher Kolakowski says openly, 'Every leftist movement in a western country misleads the population so long as it is not prepared to declare openly that the Soviet communism is one of the biggest centres of social oppression which ever existed in world history'.

The real failure of Soviet society is in what is done in relationship to nature and to human beings.

It is a sad history. How could it have come so far? Was there an inner necessity that made the centrally planned economy develop in this way? I think that Marcuse gives the real answer to that question when he writes, 'While the humanist values, attached to the end of the road, became ritualized into an ideology, the values attached to the *means*, i.e. the values of total industrialization, became the real governing values . . . The end recedes, the means become everything; and the sum total of the means is the 'movement' itself . . . Within this syndrome, the oppressive elements are predominant'.¹⁰ What Marcuse says here is of a rare depth. First you begin with ideals, dreams, about the equality of mankind, about justice and material wellbeing for all. And then you try to create a societal order, an economic system which pushes away the abuses of a capitalist or feudal society and which orients its planning exclusively to these goals. But then, because you need an ideology to defend your choice and to legitimate all means to further your chosen ends, something like a reversal takes place. 'The end recedes, the means become everything'. Why? Because you cannot dispense with the means you need. Industry always needs priority, the state becomes necessary, the party becomes unavoidable—for only they can enforce barriers, pave the way somehow like saviours. And planning is 'glorified'. But if means become saviours, they can be only terrifying saviours. They grow into idols, which seem to have a life in themselves, to enslave their followers.

Generalization and verification

Is it possible, on the basis on what we have seen so far, to come to some general conclusions in relation to centrally planned economies? If so, then those tentatively

formulated general conclusions should hold—or at least not be falsified—in the confrontation with experiences from other centrally planned economies.

A first preliminary general conclusion could be that centrally planned economies seem to need intrinsically one type of ideology or another. The argument may start equally from the fact that central planning is always related to one or another set of impressive goals or targets (otherwise planning would stop being rational at all) or, from the fact that every type of central planning is already by definition to some extent authoritative and all-encompassing. From both considerations it can be argued that the planning authorities will be in need of a kind of authorization, legitimation or justification, just to be permitted by society to try to reach those impressive goals by the use of those incisive instruments. Of course, in the short run you can try to do without. But, in the long run, you cannot dispense with an ideology for the continuity of the system.

A second preliminary general conclusion could be that in reality, sooner or later, every centrally planned economy needs one kind of *adaptation* or another. Reality is a stubborn thing and social realities never remain the same. Therefore every economic system needs a degree of flexibility and adaptability to new situations. But if the first general conclusion holds, then this will also have its consequences for the ideology of the system. It will have to change and to shift its content as well, and therefore bend its norms, values, doctrine and outlook to the changing reality.

A third general conclusion could be that within a *non-ideological* context, planning as one of the elements of a social-economic ordering is in no need of preliminary justification. Planning is by itself nothing more than a method to realise consistency between ends and means, between targets and instruments. Every government's budget is a way of planning, in the case of market economies too, and the same is true for plans of operation developed by business firms. Joseph had to plan in order to rescue Egypt from famine. But as soon as planning takes place within an ideological context, to realise absolutized goals by means which *ideologically are made legitimate in advance*, then it will lead to deeply inhuman and distorted situations.

As soon as planning takes place within an ideological context, it will lead to deeply inhuman and distorted situations.

A fourth general conclusion now seems possible as well: namely that, at least in principle, social-economic orderings of society are imaginable in which planning as a partial element is effective in a healthy way, in other words as far as in those concrete orderings of society a kind of heteronomous (or better theonomous) normalcy is accepted. This, therefore, presupposes real human responsibility and also gives a real chance for cultural differentiation.

Are these preliminary general conclusions falsified by experiences from other (centrally planned; or mixed; or free market; or traditional; or modern communalistic) economic systems, outside the Soviet economy? Or perhaps even supported by these experiences? Personally I think that the latter is the case, and will try to illustrate that by some practical examples.

First, the *Yugoslav economy*. It seems, if we take a superficial look, an economic system with the same ideological background as Russia, but with a different type of socio-economic organization. Here we do have an economy with a central role for workers' management, a restricted role for the state, and an acceptance of different features of a market economy. But this can mean only that the role of ideologies is less overwhelming than in Russia. Careful study (for instance, of the books of Vanek and Horvat¹¹) makes this clear.¹²

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Secondly, there is the case of *China*. So complex and so dynamic is it that almost no general rule seems to hold at all. But, nevertheless, we see how much Mao Tse Tung needed an ideology in the same way as Lenin needed one, and that he even went further than Lenin did in the systematic manipulation of the opinions of the masses, making them into 'a revolutionary force'. And we should observe as well that Mao also had to change his mind and his ideology when the forces of the real economic and social processes turned against him especially in the aftermath of the Cultural Revolution. And, finally, there is a direct relationship between Mao's far more dialectic type of ideology and the type of planning which he promoted for China (the so-called open-ended or procurement planning of a partially decentralized character in order to mobilize the initiative of the communes to the extreme.¹³ China, therefore, also does not falsify our preliminary conclusions.

Nicaragua is another interesting case. In this economic system, we can observe a deliberate effort to orient a mixed economy (with about 60% private property in production activities) to the fulfillment of basic needs of food and shelter combined with medical care and an outspoken programme against illiteracy. The idealistic background of this system is not communism, but a kind of nationalistic communalism with a flavour of revolutionary liberation pathos (Sandinism). Planning in this system is explicitly present, but seems not to be glorified as being preferable above the market for *a priori* reasons. This could mean that, in principle, the economic system is more related to authentic, heteronomous, normativity than to an autonomous, pre-set ideology. But only the future can prove this to be true. The time since 1979 has been too short to draw definite conclusions.

In relation to the examples, mentioned above, there is, as far as I can see, no reason to deny the truth of our four preliminary general conclusions. But do they hold

as well in relation to what we know of the history and background of market economies?

If the content of these conclusions cannot be denied, as far as the principle of planning and the reality of centrally planned economies is concerned, then they should similarly hold good for the principle of the market and the reality of so-called free market economies. That means that, just as *planning* is in no need of any preliminary justification, so also *the existence of a market* in itself is in no need of any preliminary justification. But also everything depends on the context in which the market plays its role. If that context is ideological, which means that the market is seen and used as an instrument loosened from any external (theonomous or heteronomous) definition of normalcy and made serviceable to the realization of self-chosen absolutized goals, then the parallel implies that also a market economy can and will lead to final distortion and de-humanization. But if the market is based upon a deep respect for fellow citizens in their needs and presupposes a real care for nature and culture, then also the market can be fully accepted as an adequate, *partial* element of an obedient socio-economic ordering.

Here, in my opinion, we meet indeed a correct test to judge the present structuring of Western societies. If norms are continually changed, and if the interpretation of basic values of mankind is shifted just to make room for the 'progress of the market' without any regard of cultural variety in this world, then also in those market economies ideologies are at work which are in need of a similar biblical criticism as ideologically-founded centrally planned economies. That sounds fair, and it supports the four conclusions of this paragraph in an indirect way. But it brings us, at the same time, to the outer limits of the theme which has been our concern in this paper. ■

1. R. L. Carson, *Comparative Economic Systems*, New York, 73; Schmitzar-Nordyke, *Comparative Economic Systems*, Cincinnati 1971; Neuberger's Duffy, *Comparative Economic Systems*, London 76; G. Grossman, *Economic Systems*, London 1974; Alec Nove, *The Soviet Economic System*, London 1980; W. A. Leeman, *Centralised and Decentralised Economic Systems*, Chicago 1977.

2. Quoted by J. Verkuyl, *Grondbegrippen van het Marxisme-Leninisme*, Kampen 1982, p. 231.

3. See Rudolph Bahro, *Die Alternative, Zur Kritik des real existierenden Sozialismus*, Köln 1977, p. 105.

4. Rudolph Bahro, *Die Alternative*, p. 115. See for a more detailed picture of the struggle between government and farmers: Alec Nove, *An economic history of the USSR*, London 1969.

5. 'For Marx and Engels, the goals of communism was the abolition of labour; in the Soviet Marxist conception, all will be the labourers of the one communist society'. Herbert Marcuse, *Soviet Marxism*, Penguin 1971, p. 151.

6. See I.M. Bochenski, *Die Kommunistische Ideologie*, I, II, *Informationen zur Politischem Bildung*, Bonn 1964.

7. Alec Nove, *The Soviet Economic System*, London 1980, pp. 77-81.

8. *op. cit.*, pp. 12, 23.

9. *op. cit.*, p. 169.

10. *op. cit.*, p. 197ff.

11. J. Vanek, *The general theory of labour managed market economies*, Cornell 1970; B. Horvat, *The Yugoslav economic system, the first labour managed economy in the making*, New York 1976.

12. Confirmed by Wayne Leeman, *Centralised and decentralised economic systems*, p. 159 where he says: 'The Yugoslavs did not set out to establish a system of market socialism. It evolved as a consequence of Yugoslavia having broken with Russia. . . . In reaction, the Yugoslav government set out to develop a system of workers' control in a communal economy. . . . It has emerged from the cocoon of communalism'.

13. Compare Jack Gray, *The Chinese Model in Socialist Economics*, Penguin 1972, p. 491ff.