

BOOK REVIEWS

Soviet Economic Power. Its Organization, Growth, and Challenge. By Robert W. Campbell. Houghton Mifflin Company, Cambridge, Mass., U.S.A. 1960.

Robert W. Campbell has set himself the task of putting together «a picture of Soviet economic performance to which most of the experts who have studied the Soviet economy would subscribe.» In the opinion of the reviewer he has achieved this goal. With such a goal the conclusions have, of course, to be formulated with great caution. Nevertheless, they are not uninteresting, and many of them would appear to be new to the great public.

The book first surveys the ideological and historical background of Soviet economic achievements.

Next there is a chapter on the growth performance of the Soviet economy. The official Soviet indexes and well-known Western recomputations are presented with the conclusion that «perhaps the wiser course is to view the lowest indexes with a degree of scepticism.» Campbell points out that since 1950 it is likely that many of the procedures that inflated the old Soviet index of industrial production have been changed, and that from then on «the Western indexes and the Soviet index rather corroborate each other.» The weight problems involved in the index constructions are very clearly set out.

As for the future growth, Campbell warns his American readers that «there are reasons for believing that their (Soviet's) rate of growth need not necessarily slow down appreciably in the future.»

In a chapter on «Productivity and efficiency» the author presents figures on equipment productivity, labour productivity and material input ratios in the USSR as compared with the USA. He finds fairly high equipment productivity in the USSR — often higher than in the USA — whereas labour productivity is in most cases relatively lower in the USSR. This is a plausible result in view of the relative factor endowments in the two economies.

The chapters on «The problem of rational planning», on «Incentives and motivation» and on «Control over resources» witness that the author can explain theoretical points in a clear and popular way without becoming superficial. These chapters would be useful reading to anyone interested in economic planning theory. The author stresses the potential gain for the Soviet economy by employing modern programming techniques, and he also points out the willingness to experiment with the institutional setting which may lead to improvements in planning and implementation of the plans.

Finally there is a special chapter on science, education etc., and a concluding chapter on «Prospects for the future» which clearly recognizes what the author calls «the seriousness of Soviet economic rivalry.»

In spite of the merits of the book, I have some objections. These do not refer to the description of Soviet economic performance which is the main task of the book, as said above.

In the first place, I think the author in his comparisons too often takes for granted that the American economy offers some sort of a yardstick for measuring the degree of optimality of other economies. For instance, after having found that the USSR productivity compared to that of the USA varies very much from industry to industry, he concludes that «this heterogeneity suggests imbalance and unevenness in planning,» and that «capital investment planning has been faulty» (pp. 95—96). The conclusion itself may be correct, but it does not follow from this sort of comparison unless one accepts that the allocation in the USA is optimal (and, besides, that natural conditions are approximately similar). A Russian might say that the variability brings out the imbalance of a capitalist economy. One might also suggest the possibility that the Soviet planners take into account some indirect — partly non-economic — effects which are not properly accounted for in a market economy.

In the second place, I would disagree with many of the author's

considerations on Marxism and the role of Marxism in the USSR. He seems to think that the Soviet leaders have all the time been occupied with solving immediate problems rather than reconstructing a society according to Marxian theory. But has any other revolution ever led to such conscious attempts at remodelling a society according to some basic principles? I would say no. The success of the revolution is in Campbell's book mainly ascribed to one person, Lenin: «He made it a success not because he acted on the basis of Marxist concepts and analysis, but because he was a wonderfully creative political thinker and strategist himself.»

This is a curious way of reasoning, since there is no contradiction between basing oneself on «Marxist concepts and analysis» and being a creative thinker. It is a part of Marxism itself that it should be developed through experience and adapted to new conditions. In this connection I would also doubt Campbell's statement (p. 11) that «the industrial working class scarcely existed» in Russia at the time of the revolution, a statement which is used to prove that the Russian revolution contradicted Marxist theories.

My third objection is against Campbell's very definition of the Soviet economy as «totalitarianism harnessed to the task of rapid industrialization and economic growth.» (p. 8). I do not really see the need for such a «definition», but if one should make an attempt, I think it is strange not to include the specific property system in the Soviet economy. The definition in my opinion is also misleading in its unconditioned emphasis on «totalitarianism». Does not this contradict the importance of material incentives in the USSR and the considerable degree of decentralization, particularly in recent years? I also think this «definition» leads to an underrating of the importance of the initiative and activity of broader masses of people in the USSR in planning, guiding and developing the economy. This aspect is not discussed at all in Campbell's book, which is strange in view of the fact that the Soviet ideology emphasizes it as one of the main features of their economy.

It is hard to understand the statement (p. 188) that «Russian planners have failed to grasp the notion that economic power is only a means to an end, and that the objective should be the maximum satisfaction of the wants of the population.» Exactly the notion of «maximum satisfaction» is included in all Soviet definitions of socialism and communism. Of course there is a problem of what

present generations should forgo for the sake of future generations, but I think both the present long-term plans of the Soviet economy and its achievements in terms of consumption and welfare in recent years show that the above statement is — to put it mildly — questionable.

A statistical point: On p. 193 Campbell says that «under Soviet definitions this allotment of housing space includes kitchens, baths, stairwells, and hallways.» As far as I know, this is not correct.

Before concluding, I must repeat that these criticisms should not overshadow the fact that Robert W. Campbell has, in my opinion, written a very interesting and useful book.

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