Capitalist Restoration in Russia: A Balance Sheet

By Clara Weiss
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The March 25 Kemerovo fire, which took the lives of at least 64 people, 41 of them children, has shocked and angered people in Russia and throughout the world. It was not an accident, but a social crime, committed by the oligarchy that has ruled Russia since the destruction of the USSR in 1991.

The tragedy has, in many ways, brought to the fore the social relations shaping Russian society amid an ongoing war campaign by the imperialist powers against Russia that threatens humanity with nuclear annihilation. The growing international and economic instability, which has already led to an upsurge in working class struggles in the US, Northern Africa, Iran and Europe, will also bring the Russian working class back onto the scene.

However, there is no way forward for the working class without a conscious assimilation of the lessons of betrayals of Stalinism and the criminal character of capitalist restoration, which have created the conditions for both the Kemerovo Tragedy and the imperialist encirclement of Russia. This series will review the lessons of the miners’ strike of the late 1980s, which was centered on the Kuzbass region, the results of capitalist restoration and the alternative put forward by the Trotskyist movement, the International Committee of the Fourth International.

Part 1: What Happened to the Miners’ Strike?

The Kuzbass, where the fire occurred, has historically been one of the politically and economically most important working class regions in Russia. It was here that, almost 30 years ago, in 1989, a massive, union-wide strike of coal miners was launched.

The strike came at the height of the “perestroika” policy that had been announced four years earlier by Mikhail Gorbachev, the secretary of the Communist Party of the Soviet Union (CPSU). Hailed by Western governments and petty-bourgeois “left” forces alike, it signified an open embrace of capitalist restoration policies by the Soviet bureaucracy.

The International Committee of the Fourth International (ICFI) was the only political force at that time warning the working class of where the Soviet bureaucracy was headed. In one of the many statements that the ICFI published at that time, David North, the current chairman of the international editorial board of the WSWS, stated:

“The Soviet Union emerged from the October Revolution as a workers’ state. State ownership of the means of production, a necessary prerequisite to socialist development, opened up the possibility of rapid growth of the productive forces. But the apparatus of the workers’ state underwent a complete degeneration at the same time: it was transformed from a weapon of the working class into a weapon of bureaucratic violence against the working class and more and more a weapon for the sabotage of the country’s economy. The bureaucratization of a backward and isolated workers’ state and the transformation of the bureaucracy into an all-powerful privileged caste constitute the most convincing refutation—not only theoretically but this time practically—of the theory of socialism in one country. The USSR embodies terrific contradictions. But it still remains a degenerated workers’ state. Such is the social diagnosis. The political prognosis has an alternative character: either the bureaucracy, becoming ever more the organ of the world bourgeoisie in the workers’ state, will overthrow the new forms of property and plunge the country back to capitalism; or the working class will crush the bureaucracy and open the way to socialism.” [2]

These contradictions were massively intensified by the globalization of production, particularly from 1980 onward, which threw into crisis all nationally based bureaucracies, be it the Stalinist bureaucracies in the
USSR and Eastern Europe, or the trade unions in Western Europe and the US. In one way or another, the Soviet Union, and the Stalinist-ruled countries in Eastern Europe, had to be integrated into the world economy: either through the destruction of the USSR and the restoration of capitalism by the bureaucracy, which would transform itself into a new ruling class, or by the working class overthrowing the bureaucracy in a political revolution and extending the October Revolution of 1917 to the countries of Western Europe and the United States.

The Soviet bureaucracy, facing growing pressure from both the working class and imperialism, concocted a major conspiracy to reintroduce capitalism and resolve this crisis in its own interests. This drive to restoration was dramatically accelerated through the eruption of major working class struggles in Poland in the early 1980s under the leadership of the trade union Solidarity.

Starting in 1982 under the leadership of Yuri Andropov, the hangman-in-chief of the 1956 Hungarian Revolution, the Politburo (PB) took concrete steps toward preparing the all-out restoration of capitalism. Economic institutes, “specialists” and sociologists were asked by the PB to prepare reports on possible ways to restore capitalism. “Economic experiments” were conducted with increasing frequency.

In a secret session in April 1984, all members of the PB, which was then headed by Konstantin Chernenko, agreed on the “Concept,” which outlined the basics of the program of “perestroika” and included policies—including the gradual lifting of the state monopoly of foreign trade and the permission of cooperatives and individual economic activity—that were not introduced until 1986-1988. The text of this “Concept” was distributed only to members and candidates of the PB, the secretaries of the Central Committee and first secretaries of the Party, and chairmen of the Councils of Ministers of the Union Republics, as well as three to five other people. In other words, capitalist restoration, later clothed in vague terms like “perestroika” (rebuidling in Russian) and “glasnost” (transparency or openness), was a criminal conspiracy by the Stalinist bureaucracy. [3]

However, while the bureaucracy was pushing rapidly to advance its solution to the crisis, the working class started rebelling against it. The outbreak of the miners’ strike in 1989 was a confirmation of the Trotskyist movement’s analysis of the irreconcilable conflict between the interests of the working class and those of the bureaucracy.

It was not a coincidence that this massive strike movement was launched by and centered among the coal miners. The coal mining industry had been critical to Soviet industrialization. The Kuznetsk Basin (short: Kuzbass) in southwest Siberia had been a central energy source for the Soviet economy since the mid-1920s. Under Stalin’s first five-year plan in the 1930s, the region was heavily industrialized, with mining towns and cities being constructed at a breathtaking pace and at a large human cost.

Virtually all the region’s major cities and mining centers were built as part of Soviet industrialization: the local capital Kemerovo emerged from the autonomous industrial colony of the Kuzbass, which was formed in 1921 with the aim of developing the local coal industry, resorting, in particular, to the help of highly skilled American workers who, for this purpose and at Lenin’s invitation, emigrated to the USSR. Novokuznetsk and many other formerly small towns or assemblies of villages became full-blown industrial cities in the 1930s.

Wartime production and the evacuation of entire factories and significant sections of workers from European Russia to Siberia during the Nazi war onslaught against the Soviet Union further accelerated the industrialization of the region. The Kuzbass remained, after the Donbass in what is now Ukraine, the most important coal region of the USSR. It was also the only mining region where high-quality coal was produced that could be sold on the world market, upon which the Soviet economy became increasingly dependent.

Miners remained one of the most critical sections of the working class throughout the post-war decades and formed the backbone of the Soviet economy. Yet while relatively highly paid, the miners suffered dire working and living conditions. In addition to the generally widespread food and soap shortages, they were exposed to catastrophic hygiene and unsafe conditions at their workplaces. According to official data, 365,000 miners were waiting for flats in 1989 and 67,000 children from miners’ families had no nursery school places. The average life expectancy was far below the national average due to the dangerous working conditions and heavy environmental pollution.

During “perestroika,” bonuses for workers were cut back and the deliveries of food and essential supplies fell. Workplace accidents, many of them deadly, were a constant occurrence and the mines were known as “the second front.”

In January 1989, the Kremlin ordered that mines should switch to “self-financing” (khозрашчет). As a result, the price received by a mine for one ton of extracted coal was roughly half of the extraction costs. The majority of mines were quickly running at a loss, and many were threatened with closures. Coal miners responded with several wildcat strikes in the winter and spring of 1989.

In July, the scattered strikes reached a new dimension, spreading from the mono-town Mezhdurechensk (July 10) to the entire Kuzbass, the Donbass in Ukraine—then the Soviet Union’s most important coal mining region—and Karaganda in Kazakhstan. The immediate trigger for the walk-out in Mezhdurechensk was the lack of soap available to the miners. It was the largest working class struggle the Soviet Union had seen in decades, and it shook the Soviet bureaucracy to the core.

A resolution by the regional committee (obkom) in April 1989 warned against “those who would like to turn democratization into indiscipline, lawlessness and general license. In particular, this is shown by the refusal of workers to work, taking place in enterprises in Kemerovo, Novokuznetsk, Mezhdurechensk, Osninniki, Kiselevsk.’”

Party members were banned from participation in strikes under the threat of immediate expulsion. [4] A few weeks later, the secretary of the regional party committee, Aleksandr Mel’nikov, warned the Central Committee of the seriousness of the situation. The political crisis was also underscored by the shattering defeat most party nominees suffered in the vote for people’s deputies of the USSR in March 1989.

The Kuzbass strike was the first Soviet strike in decades to take place above ground—a particularly courageous and militant step, given that one of the last major demonstrations against the Stalinist regime in Novocherkassk in 1962 had been put down by the military in a horrific bloodbath that Soviet workers remembered all too well. (The deployment of the military against the striking miners was, in fact, also briefly discussed in Moscow in 1989, but dismissed quickly by Gorbachev as a viable option for resolving the crisis.)

Yet despite the militancy and courage of the miners, the strike not only ended in defeat but was subordinated to the bureaucracy and its accelerating drive toward capitalist restoration. How could this happen?

Reflecting both the economic grievances of workers and the widespread hatred of the bureaucracy, the demands of the strikers included the establishment of a general holiday and pay and pension increases, as well as the “abolition of privileges of the administration and party apparatus on all levels of our state.” The demands also included “economic independence” for the individual mines. However, this demand had initially not been put forward by the workers. It was pushed by the city and regional committees—that is, the local bureaucracy—which, in correspondence with the prevailing ideology of “perestroika,” told the workers that “independence” of the mines and more concessions to the market economy would provide the solution to their social and economic grievances. Simon Clarke, who wrote a detailed account of the strike, explained:

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“As soon as the strikes moved outside the individual mines, the local authorities very quickly hitched their interests to the strike movement, cautiously aiding, if not supporting, the miners and adding their own demands to those of the miners for presentation to Moscow. The result was that the diverse grievances of the miners were swiftly swept aside, to be subsumed under the one central demand that the mines should be switched to full financial independence, on the basis of an increase in the price of coal, although this had not figured in the original demands of the workers.” [5]

The committees worked closely with the local administration and quickly took over many of the functions of the local soviets, including the distribution of goods. For the leaders of the strike, the committees (not only in Kuzbass) became “the stepping stone to a lucrative political or commercial career.” [6] The strike was called off after a few weeks. The Kremlin agreed to grant the mines independence and made limited concessions to the economic demands of the miners—most of which were never met.

The argument that the miners protested “for capitalist restoration,” thus, is a vicious slander. It covers up for what was a criminal conspiracy of sections of the Stalinist bureaucracy, the Pabloites and the trade unions, which were working hand in glove with US imperialism, acting through the AFL-CIO, to gain control over the strike, disorient the workers and channel their movement behind support for the Yeltsin faction of the Kremlin, which was then pushing for a more aggressive pursuit of restoration.

This cannot be understood without taking into account the lasting and profound impact of decades of Stalinism, which had disoriented the workers and destroyed the leadership of the October Revolution and the Soviet Left Opposition. Moreover, the Soviet working class remained isolated from the program of Trotskyism, through the combined impact of Stalinism and revisionist tendencies within the Fourth International, especially Pabloism. As a result, the political confusion among the Soviet workers was so deep that the bureaucracy and layers of the petty bourgeoisie were able to push through their agenda on the backs and at the expense of the working class.

The AFL-CIO intervenes

US imperialism welcomed the restorationist efforts of the Stalinist bureaucracy and rushed to intervene in the evolving process in order to secure the interests of the US bourgeoisie. The main “front organization” for the State Department and CIA was the AFL-CIO. Starting in 1988, the AFL-CIO provided a substantial amount of funding for the NPG (Independent Miners’ Union), as well as other so-called “independent” trade unions that supported the Yeltsin faction in the power struggle in Moscow against the faction around Gorbachev.

The NPG was formed in the wake of the defeated miners’ strike of 1989. From the very beginning, the US, through the AFL-CIO, as well as layers of the bureaucracy, sought to subordinate its leadership to their interests.

Even before the formation of the NPG, several trade unionists from the workers’ councils active in the miners’ strike had been invited to the United States, where they met with representatives from the State Department and the AFL-CIO. The first congress of the union was financed by the Soviet coal ministry. Richard Wilson, the director of programs for the Free Trade Union Institute, was present from the AFL-CIO.

A visit by Richard Wilson and the secretary-treasurer of the United Mine Workers, John Banovic, to the Soviet Union in 1990 helped prepare not only the founding conference of the NPG but also the setting up of the Partners in Economic Reform (PIER) project. The PIER brought together the US coal industry association, the UMWA, the US government’s Mine Safety Administration, the Russian coal ministry, and the independent coal miners’ union, and the NPG in a joint effort to restructure the Soviet coal industry. The FTUI described the goals of the PIER as “providing technical assistance and promoting US investment in order to revitalize these coal regions, and to provide a model for other sectors of the Soviet economy in terms of adapting to a market economic system.” [7]

Support for Yeltsin’s radical reform program, later known as the “shock therapy,” stood at the center of the NPG’s agenda. The NPG itself worked as a combination of business entity and police force among the miners. It threw its support behind Yeltsin, as well as the World Bank and the US-funded Coal Project, and their “restructuring program” for the coal industry, which resulted in mass closures of mines and lay-offs. Anatoly Malykhin, one of the leaders of the NPG, who started demanding the resignation of Gorbachev in 1990 on behalf of the miners who had initially put forward only economic demands, became the representative of President Yeltsin in the Kemerova oblast, while his ally from the NPG, Mikhail Kisluk, was made governor of the oblast until he was succeeded in 1997 by Aman Tuleev.

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