

*Italian economists, the collapse of the Soviet Union and the birth of Nationalism**

di Luca Michellini**

1. Background

The purpose of this report is to provide a selected overview of Italian economic studies on the Soviet system. I do not treat of Italian sovietology as a whole.

The period taken into consideration is the decade that straddles the collapse of the Berlin Wall. I deal with the literature coeval with this period and not with the literature after it.

To frame the characteristics of the economic literature, a twofold premise is necessary.

First, it should be remembered that throughout the course of the Soviet system's existence, economic planning was considered a far-from-fail economic paradigm. With the crisis of '29 several authors proposed the idea that there was a convergence of capitalist and socialist economic systems. Starting from different economic and political conditions, both tended to establish an intertwining of state planning action and the market. This was an idea shared across the board by different political and economic cultures and received impetus from the so-called Keynesian revolution after World War II.

Second. However much interest in the Soviet experiment grew during Fascism, it should be remembered that it was not until after World War II

that a specialized economic literature on socialist economic systems emerged in Italy.

Research centers, both public and private, were born. Coming to individual scholars, we can mention two students of Marxist economist Antonio Pesenti, namely Alberto Chilosi and Gianfranco La Grassa; then I remember Domenico Mario Nuti, a student of Kaldor and Dobb; close to Operaism (Workerism), Rita di Leo, who at the Oriental Institute in Naples will hold the only Italian chair of socialist economic systems.

The fruit of this vast movement of studies is the birth in the early 1980s of the Italian Association for the Study of Economic Systems (AISSEC), whose scholars would confront the reforms of Gorbachev and the implosion of the Soviet system.

2. The characteristics of the specialized literature

There are **four** characteristics of the economic literature of the late 1980s.

First are studies that propose and adopt a methodology focused on interdisciplinarity and predictability of the phenomena studied: as Alberto Chilosi points out.

Second. Studies interpret Gorbachev's reform drive as the proposition of an embryonic model of market socialism, which was to be grafted within the planning system. Reading texts such as *USSR and China: economic reforms* (1988), *The Difficult Path of Perestroika* (1990) and a series of collections from the publisher "L'Unità" show authors hoping that the transition from planning to market socialism would be accompanied by the emergence of a pluralistic democracy and a foreign policy aimed at the

peaceful reunification of Europe, in the wake of Gorbachev's proposed suggestions.

Third. The alternative between planning and market socialism restores nourishment to a current of scholarship rooted in the debate that had accompanied the birth of the Bolshevik experiment: these are authors who are in open polemic with the PCI, guilty of not wanting to delve into the issue of the "social nature" of the USSR and of removing "leftist anti-Stalinism". La Grassa in 1992 writes the introduction to Sweezy and Bettelheim's text *Unrealized Socialism*. In general, the aim is to understand whether Gorbachev's goal was to overcome the Stalinist model in order to arrive at an economically and politically democratic phase of socialism or whether, on the contrary, it aimed, by paving the way for market mechanisms, at the birth of capitalism.

Fourth. The Italian literature, as indeed the international literature, is taken absolutely aback by the implosion of the system itself. The planning system was judged to be basically sound, albeit characterized by increasing immobility and some critical issues, especially on the side of private consumption development.

Some examples. In 1990 Nuti reports that "until 1989 the economic crisis" of the Eastern countries "was a crisis of slowing economic development or, at most, of stagnation, not of decline or collapse". No hint of an imminent collapse is suggested in the volumes *Teoria dei sistemi economici* (1989), edited by Jossa, and the proceedings of the June 1988 Italian-Soviet Conference, which hosts texts by Sylos-Labini and Boffito, among others.

Even "The Library of Freedom", that is, the Italian periodical that collects and revives, in Italy, the tradition of the Austrian school, is far from

predicting any form of collapse. Collapse, which in fact is celebrated as a positive but "miraculous" event, echoing the words of the Polish pope.

Conclusions. In light of the above, we can draw some conclusions.

First, the surprise constituted by the collapse of the USSR invites us to consider that the interdisciplinarity for which economists who are specialists in economic systems yearn has remained only a purpose rather than an achieved goal. That is, we may ask whether therein lies the inability to predict the collapse of the system. I cannot answer that. I can only say, however, that the topic, central as it is, has not provoked any major epistemological debate.

Second, remaining with the contribution made by the Italians, it is not purely economic causes that led to the collapse of the Soviet system. It is not in the "plan" itself that the reasons for the collapse should be traced. As has been noted by Nuti, the economic crisis of the Soviet system is one of the consequences of perestroika.

Third, it should be emphasized how far one is from considering the neo-liberal paradigm centered on Anglo-American-style privatizations as the model of reference to be proposed or imposed on Eastern countries. No privatization shock therapy is suggested, as is the case in other Western countries, particularly the US. The "Library of Freedom" itself, the italiana journal of Austrian economics, presents different positions on the subject, although the rejection of any form of socialism, including market socialism, prevails.

3. The neoliberal turn

On the heels of the privatizations of the Yeltsin era we have the swan song of Italian thinking on market socialism: the volume, edited by Chilosi, *L'economia del periodo di transizione* (1992), which contains in a section titled *L'alternativa rifiutata: il socialismo di mercato* (The rejected alternative: market socialism), with theory essays signed by three of Italy's best specialists in the subject, such as Chilosi, Nuti and Jossa.

These are, however, minority positions. With Tangentopoli and the Amato government, the process of privatization also began in Italy. With the collapse of the so-called First Republic, the landscape of Italian economic culture is characterized by the disappearance of the issue of planning from the problematic horizon of theoretical and economic policy debate.

Hayek and Mises make an overbearing comeback, and planning is judged a failed economic experiment in and of itself. A few isolated devotees of market socialism remain. The Keynesian paradigm is deemed outdated and becomes the preserve of a small handful of devotees. Minority remains the leftist anti-Stalinism, which does not share the PCI heirs' landing on the horizons of neoliberalism.

4. Toward nationalism

Once again, the liberalist utopia has had to reckon with the threatening social forces that the market arouses: those that embody nationalism. A nationalism that European unification fails to curb and that, arguably, it fuels because of the specific form that unification itself takes, built under

the banner of austerity-inspired economic policies and carried out without building true European political unity.

The gigantic process of privatization to which the collapse of the Berlin Wall gave rise has given rise to new economic systems where, behind the ideological screen of liberalism, oligarchic groups of power are stratified, pushing ancient logics of power, pivoting on the new state and geopolitical order that arose from the ashes of the USSR.

It is the “Library of Freedom” that notes the nationalist tendencies of the ex-socialist countries, for that matter in a Western world context (Israel, Italy, Germany “and many other countries”, including the U.S.A) where nationalism appears all but disappeared. One text is devoted to showing how there is a historical continuity between Soviet and post-communist mobs: it is the “nomenklatura” that dominates in privatizations.

These are analyses that we find in texts by Chilosi, by Nuti, with different emphases and which are offered at length in two volumes by Rita di Leo from the early 1990s: *Vecchi quadri e nuovi politici. Chi comanda nell'ex-Urss* and *Riformismo o comunismo: il caso dell'URSS*.

The author sees Gorbachev as a “rex destruens”. “The oligarchs of communist economic power are the winners of the succession war waged against the other part of the nomenklatura: the old party leaders who, until Gorbachev’s arrival, had kept the country under control”. They have “transformed the autonomy of the plan and the party into a policy of private, more or less legal appropriation of the economic units subordinate to them”. Neither “militant nationalism”, which resulted in the emergence of new state units, nor presidentialism, adopted by these states, defeated this ruling elite created by Stalin’s system.

According to the judgments of the authors we have analyzed, we can conclude by saying that Stalin's shadow lingered far beyond the economic system he had built, until it crept into the years of post-communist history. Crossing, it comes to be observed, different "modes of production" that have characterized Russia: however, as Nuti notes, "Political economists have only rarely applied the Marxian method to the socialist economy".