Hacettepe Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi
Hacettepe University Journal of Economics and Administrative Sciences
https://dergipark.org.tr/tr/pub/huniibf
ISSN:1301-8752 E-ISSN:1309-6338

Başvuru Tarihi / Submission Date: 14/09/2020
Kabul Tarihi / Acceptance Date: 28/12/2020

DOI: 10.17065/huniibf.794909
2021, 39(2), 289-301

Araştırma Makalesi / Research Article

The Political Economic Thought of the Ideological Elite: The Soviet Governing Elite

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Abstract

The purpose of this study is to explore the political economy views of the Soviet elites. It is demonstrated that as the Soviet elite was able to maintain economic stability, the ideological structure was not challenged. In contrast to that, economic stagnation and relative decline of the Soviet Union caused de-legitimization of the conservative elite ideas. Thus, socialism had to be reinterpreted by new elite. To prove the argument, the paper constructs a theoretical framework for ideological elites. The constructed elite theories are applied to the political economic framework of the Soviet elite. The paper concludes that as the existing ideological interpretation becomes dysfunctional, the elite was replaced by another faction in the party. In other words, the Soviet elite sought to solve the economic problems within the party structure itself.

Keywords: *Soviet elite, Soviet political economy, elite theories.*

İdeolojik Elitin Politik Ekonomi Düşüncesi: Sovyet Yönetici Eliti*

Öz

Bu çalışmanın amacı Sovyet elitlerinin politik ekonomi görüşlerini ortaya çıkarmaktır. Çalışmada Sovyet elitlerinin ekonomik istikrarı sağladığı sürece ideolojik yapının sorgulanmadığı gösterilmektedir. Buna karşılık ekonomik durgunluk ve Sovyetler Birliği'nin görece gerilemesi muhafazakâr elit düşüncelerinin meşruiyetinin kaybolmasına yol açmıştır. Dolayısıyla sosyalizm yeni elit tarafından yeniden yorumlanmıştır. Bu argümanı ispatlamak için ideolojik elitlerin teorik yapısı kurulmaktadır. Kurulan elit teorisi Sovyetler Birliğindeki elitlerine uygulanmaktır. Çalışma; mevcut elit ideolojisinin işlevsiz hale gelmesiyle birlikte parti içindeki farklı bir fraksiyonun onun yerini aldığı sonucuna ulaşmaktadır. Bir başka deyişle, Sovyet eliti ekonomik sorunları parti yapısının içinde çözmeye çalışmıştır.

Anahtar Sözcükler: *Sovyet elitleri, sovyet politik ekonomisi, elit teorileri*

* This study is derived from the author's Ph.D Thesis entitled "Systemic change and elite transition: A neoclassical realist appraisal to the political and economic transformation in Russia and China since the 1970s" completed under supervision of Assoc. Prof. Dr. Fatih TAYFUR at Middle East Technical University, Graduate School of Social Sciences, Department of International Relations on 15 June 2019.

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INTRODUCTION

Elite composition and preferences have always been important in Russian politics. The Soviet period was not an exception in that sense, particularly after 1929. The power was highly concentrated on either the leader or the leadership throughout Soviet history. The leader was the representative of the politburo as well as the central committee of the party, which had been the executive body. Since they were delegated and at some point, they pursued a terror regime, the legitimacies of them were questionable from a liberal democratic perspective. However, they were considered legitimate power of the Union by Soviet society. How did they pursue their legitimacy?

This article seeks to understand the legitimacy of the Soviet elite by using elite theories. In this sense, the changing patterns of the Soviet political economic thought are examined. How domestic and international factors cause the rise and decline of the factions in the party are demonstrated. In this regard, the research question of the article is that why the interpretation of socialism changed over time among the Soviet elite. It is asserted that the factions in the party determined the interpretation of socialism, which was shaped by economic performance.

In this regard, this article grasps the issue in two main sections. The first section constructs the theoretical framework of the elites. For this, the elite theories of political science are exploited to understand the differences among the Soviet elites. Elite types and elite patterns are put on the table. Having constructed the theoretical framework, the political economies of the elite changes throughout the Soviet history are examined in the second section, which is the main contribution of the study to the Soviet Studies literature. In this sense, it is demonstrated how the elite structure and political economic thought interact with each other. To be more precise, the economic conditions of the state either legitimized or delegitimized the elites, and the elites determined the interpretation of socialism throughout history. That is to say, the factional stability and crises transformed the idea of socialism. The lack of using elite theories in the literature to understand the changing patterns of ideological interpretation constitutes the originality of the article.

1. ELITE THEORIZATION

First and foremost, it should be noted that when we are talking about the elite, we imply the political elite. It is the political and bureaucratic elite who execute the state policy. Industrialists, business elite, or other types of elites are bounded by political decisions. Although in some cases they have the capability to manipulate the state elite, in the end, governments make the ultimate decisions.

The formation and structure of the different types of political elites have been one of the main subject matters of political sociology. The variety of elite structure generates different types of state organizations and political structures. This means that the founding elite structure shapes the form of the government. For this reason, there is a necessity for the taxonomy of elites that have different motivations for decision making. Accordingly, there are different levels of differentiation and integrations among elite members. Burton and Higley found the dimensions of the elite structures:

Differentiation involves the proliferation of elite groups as societies become more complex and institutionally compartmentalized; integration involves how these groups organize their relations and deal with each other politically. (Burton, Higley, 2001).

This leads us to constitute four types of elite structures: Strong integration and wide differentiation, strong integration and narrow differentiation, weak integration and wide differentiation, weak integration and narrow differentiation (Pakulski, Higley, 1999).

Accordingly, differentiation determines the level of harmony among the variety of groups or factions. In that sense, wide differentiation results in democracy, whereas narrow differentiation generates nondemocratic regimes. That is to say, as the elite consist of different factions, the ideas in

decision making processes become more diversified. In contrast to that, as differentiation narrows, the decision making negotiations become more strict and straightforward.

Integration determines the level of democracy or autocracy. The outcome of the strong integration is coherence and cooperation. When the elite integrates strongly, the level of communication escalates. As a result of this, political outcomes are shaped consensually in a widely differentiated elite. In contrast to this, political outcomes are shaped in a single direction among the narrowly differentiated elite, because each member of the ruling elite is influenced by the same interactions. Such a process ends up with a strict ideological foreign policy institution. Weak integration, on the other hand, creates competition and power struggle among the elite. The communication level in the weakly integrated elite is relatively low. Additionally, different members of the elite may form smaller competitive factions in order to maximize their personal power. For that reason, low integration under ideological regimes stages faction conflicts.

As a result of this, four different elite structures occur. The wide differentiation and strong integration form democratic regimes. The different elite groups have strong communication under this regime. This leads them to bargain with each other in order to compromise. As a result of this, elites consensually unite with each other (Higley, Burton, 2006: 14). For that reason, it is called *consensual elite*. In contrast to that, strong integration and wide differentiation unite on an ideological basis, where the elite members are strongly connected. In those regimes, only one elite group dominates the political sphere. Since the members of the dominant group gathered on an ideological basis, it is called *ideocratic elite*. The ideocratic elite will be one of our subject matter for the article, because, the ideocratic is the characteristic of the totalitarian regimes. However, other elite structures have to be examined in order to understand the distinctive characteristics of the ideocratic elite.

Weak elite integration turns out less stable regimes. In case of wide differentiation among elite factions, *fragmented elite* shows up. Fragmented elite breed illiberal democracy due to its competitive nature under democratic institutions. When the fragmented elite is narrowly differentiated, then the elite becomes *divided elite*, and the regime turns out to authoritarianism. Divided elites, which will be examined in the next section, can be either conservative-dominated or reformist dominated. In this sense, a limited political pluralism is the most important feature of authoritarianism than totalitarianism (Brooker, 2014: 21).

In this regard, it can be claimed that both ideocratic and divided elites are motivated by ideology. Both of them are featured by single-party regimes and formed by radical ideologies such as communism or fascism. The totalitarian elites are represented by strong leadership as well as integration, whereas the authoritarian elites stage weak integration and elite struggles. For that reason, both totalitarian and authoritarian elites are taken as *ideological elite* in this article. The following section will elaborate on the ideological elite more in detail.

1.1. Ideological Elite

Ideological elites are formed on an ideological basis. The concerned ideology constructs the legitimacy of the ruling elite. The ideology is vital to maintain stability and reduce the threats against society. A shared ideology is able to create an identity, which is robust to prevent serious challenges emerging from within for much of their existence (O'Brien, 2016: 307).

The ideological elites mostly take the rule by nondemocratic ways. Civil wars or revolutions are the main tools to take the rule of ideological elite. Despite some ideological elites exhibit election victories under democratic conditions, their total control could be settled by revolution. For that reason, ideological elites are associated with one party regime most of the time. To that extent, their components are monopolistic, extensive, disciplined, and multi-role (Brooker, 1995: 14). Monopoly means that the party undertakes the whole control of the government. It does not share the power with any other group. Extension refers to the scope of the party and the amount of the party membership. Discipline implies the hierarchical structure of the party.

As a result of this, the power and network are highly centralized in ideological elites. This is the most common characteristic of totalitarian regimes. When the network is highly centralized in the party, personal leadership may emerge. Brooker (1995: 17) points out that collective leaderships have a tendency to transform into personal dictatorship. Nevertheless, it is difficult to pin down the degree of personal rule. In most cases, the leader is in fact the representative of the ruling coalition. In that sense, the most common characteristics of totalitarian regimes are the outstanding leader rule rather than a consensus among the party members. Therefore, an elite struggle or bureaucratic competition is not visible in totalitarian regimes. The leader is the ultimate decision maker of the executive. Since the elites are strongly integrated and narrowly differentiated, the members of the ruling elites consent to the decisions. Nevertheless, the death of the leader or breakdown of the leadership may disclose the secret opposition. Therefore, the ideocratic elite structure may transform into a divided elite after the strong leader. In other words, a totalitarian regime may transform into an authoritarian one after the strong leader abandons the office. Similarly, a strong leadership may unite the divided elite, which transforms a state into totalitarian from authoritarianism.

In sum, strong leadership plays a crucial role to form an ideocratic elite, whereas, weak leadership disunites elite cohesion. In that sense, a divided elite consists of different camps even they share the same belief with the leader. Although they form the same cabinet in a state, this does not necessarily mean that there is a consensus among the party members or factions, but rather, there are always competing interests and ideas among party members. This becomes clearer when the legitimacy of a regime erodes. Integrated elite start to disintegrate in that situation. For that reason, totalitarian regimes stage stable government, even the leadership becomes unable to perform properly.

1.2. Elite Transformation and Elite Breakdown

Different elite strucrures shift our attention to elite transformations and changes in elite preferences. The rejection of the existing order among the ruling elite is the key element for transformation. It is worth noting that the ideological elite breakdown or elite transformation does not necessarily associate with authoritarian breakdown. “Since World War II, only about 45% of leadership changes in autocracies led to regime change, and more than half of regime breakdowns were transitions from one autocracy to another” (Geddes *vd*., 2014: 313). None of them means the continuation of the existing order. It may result in a transition *from* totalitarianism to authoritarianism as well. Therefore, there should be made a distinction between the transition *of* and *from* the ideological elites. For the sake of the scope of the article, only the transition *of* the ideological elite will be elaborated.

The transition *of* the ideological elite implies the continuation of the ideological rule with different patterns. Therefore, the breakdown of the ideocratic elite ends up with a power transition among the elite members. The main ideology of the regime is not affected by the leadership change. Instead, the ideocratic elite transforms into a divided elite when the personal leader leaves the office due to the power transition. Obviously, it provides strict policy changes. However, that does not transform the ideological basis of the state. As an illustration, Khrushchev’s destalinization policy had not been abandonment from Marxist principles.

The main legitimacy of the ideological elite comes from stability. It promises strong economic performance, distribution of wealth properly, and rapid growth rate in exchange for limiting the fundamental rights of the society. Therefore, regime performance and procedures constitute the main source of legitimacy of authoritarian regimes (Soest, Grauvogel, 2017: 297). As a matter of course, when the economy underperforms, or the existing ideology does not fit the contemporary requirements, the ideological elite loses its legitimacy. This raises the dichotomy of pragmatism and ideology among the elite members (O’Brien, 2016: 312). The weak performance either disturbs the cadres of the elite or awakens the dissatisfied groups in society. Therefore, de-legitimization can be either in the eyes of the opposition or elite members themselves. As the legitimacy of the regime erodes, the maintenance cost of the regime becomes costly, which forces the elite to readjust their expectations (Ulfelder, 2016: 317). For that reason, ideological elite transformation takes place either by elite division or revolution.

When the legitimization erodes, regime support breaks down. The erosion of the regimes initially supported by a coalition is replaced by self-interest of the groups and individuals (Dix, 1982: 563). As a result, elite integration starts to loosen. The legitimacy of the reformist or dissident elite comes forward. In a sense, the reformist elite seeks to reinterpret the ideology.

If a totalitarian regime is surrounded by more successful countries…and if the regime is not able to isolate its inhabitants from information coming from abroad, it will not be able to prevent the slow erosion of its ideological values (Bernholz, 2015: 82).

As a result of this, elite struggle shows up between the conservative and reformist factions. Since the legitimacy of conservatives erodes, reformists take the authority. In this way, the ideological reinterpretation comes about by the new elite.

From this point of view, the following section will apply the elite theory to the Soviet elites. It will be shown how elites of the Soviet Union and their political economic thought were transformed in accordance with the economic performance throughout the communist era. Put it differently, the relevancy of the elite modeling to the Soviet elites will be demonstrated.

The analysis will grasp the issue in four stages, which will be divided in accordance with the Soviet elite structures. Accordingly, the first stage took place from the establishment of the Soviet Union until the Grain Crisis of 1929. This was followed by the dominance of Stalin when the elite structure was transformed from the divided elite to the ideocratic elite. In the third and fourth sections, the rise and decline of the conservative divided elite after the Stalin era will be examined. Finally, transforming to the reformist divided elite structure will take place.

2. IDEOLOGICAL ELITE OF THE SOVIET UNION (1917-1929)

The Soviet elite was founded on an ideological basis after the Bolshevik Revolution in 1917. Having suppressed the various Provisional Governments and the White Movement, Bolsheviks had become the sole authority in Russia after the Civil War. The new elite ruled the country by single-party with Marxist-Leninist principles. The Central Committee of the Communist Party constituted the political elite of the new regime. It was the executive body of the party, which extends its power to all the state institutions. Therefore, the party-state appeared after the Bolshevik revolution. In addition to ideology and party-state, the new regime used personal networks in order to strengthen its power as well as to reach local communities (Easter, 2000). In the process of time, these network formations have become the feature of Soviet politics. Personal networks had become the main tool for promotion in bureaucracy as well as recruitment for the Central Committee. As a result, the CPSU pursued a patronage system, particularly during the Stalin rule and afterward.

Since the pre-revolution period, the Communist Party consists of different factions. According to Trotsky, the party was divided into factions after the revolution due to the increasing bureaucratization of new guards against old guards (Trotsky, 1923). Hence, political economic thoughts were allowed to be discussed. In that sense, the distinction between Bolsheviks and Mensheviks was important. While the latter was advocating the New Economic Policy (Brovkin, 1982: 350), which was implemented by Lenin, the former was considering it as a betray to the Revolution. In short, regardless of the faction names or political background of the party members, the early Central Committee presented a divided elite structure, where there are opposition groups and cadre competitive between them. The reason for competition was either democratic concerns or economic plans on the surface.

The main economic purpose of the Bolsheviks was to increase production. In that sense, there were several political economic thoughts in the Soviet Union since its establishment for this purpose. The New Economic Policy, which was proposed by Bukharin and implemented by Lenin as well as Stalin until 1929, was in favor of the market economy compared to classical Marxism. That is to say, Lenin and CPSU recognized that nationalizing the whole industry was a mistake. Instead, trade and private ownership were encouraged by the Right faction of the Party elite, led by Nicolai Bukharin. As a result of this policy,

by 1921, "the role of the market, in relations with the peasants and even within the state's own economic sector, was dramatically enhanced" (Nove, 1992a: 78). In this regard, small-scaled businesses in agriculture and industry were allowed. The Kulaks and the Nepmens were promoted by Lenin and Bukharin for the sake of wealth generation for reconstruction. Additionally, Lenin hoped to attract the foreign capital in order to restore the economy (Nove, 1992a: 84).

However, Lenin and Bukharin were accused of promoting "State Capitalism" rather than establishing a socialist system by the Left Opposition (Lenin, 1919). In response, Lenin claimed that "It is not state capitalism that is at war with socialism, but the petty bourgeoisie plus private capitalism fighting together against both state capitalism and socialism" (Lenin, 1919). In the end, capitalism was seen as the necessary stage for the transition to socialism by Marxist tradition. Therefore, According to Lenin and Bukharinian economy, state capitalism was crucial for production. It was a betrayal neither to the Revolution nor Marxist principles.

Such debates on economic thought between the factions of the CPSU were common throughout the 1920s. When the New Economic Policy started to lose its attractiveness in the second half of the 1920s, debates on economic thought arose among the political elite in the Soviet Union. Intellectuals and the party elite were allowed to express their economic model unless it violated the boundaries of socialism. There was a debate between the two mainstreams at that time. On the one hand, the genetic school advocated the market forces, namely statistical data and economic laws to determine the economic policy (Nove, 1992a: 129; Charemza, Kiraly, 1990: 563). It was highlighting the technical part of economics. On the other hand, the teleological school aimed maximum growth and transforming the economy, so, the past experiences and data sets have secondary importance for economy planning (Nove, 1992a: 129; Charemza, Kiraly, 1990: 563). In that sense, the teleological school was promoting the political side of economics, whereas the teleological school was advocating that the economy policy should not be driven by the market but by the necessities of the state. Regardless of the ontological differentiation, the existence of the two schools indicates that the Soviet elite had had an intellectual capacity to make discussions about economic thought. Additionally, non-party members and Gosplan technical were able to find a place for themselves in discussions.

This indicates that the Soviet Union was founded by a divided elite. By the death of Lenin, the Central Committee was already divided between the Left Opposition, led by Trotsky, and Right Opposition, led by Nikolai Bukharin. Finally, there was the Central Bloc, led by Stalin and Molotov, who aligned with the Right Opposition against Trotskyists (Trotsky, 1928). Although Stalin had opposed the New Economic Policy, he pursued that policy when he came to power in 1924 for the sake of the competition between Bukharin and Trotsky. Stalin took advantage of the factional struggle between Bukharin and Trotsky by standing with the former one in order to step down the latter.

2.1. Transition to the Ideocratic Elite (1929-1953)

As Europe transformed into autarchic economies, totalitarian regimes and the arms race restarted after 1929. The Soviet political elite was also turned their attention to the balance of power, particularly against German aggression. They needed rapid industrialization in order to increase their military capacity.

Against this backdrop, the grain crisis of 1929 resulted in a shift from the New Economic Policy as well as the elite structure. "The teleological school increasingly obtained the upper hand, and so the specialists in Gosplan were under continuous pressure to adopt ambitious growth targets" (Nove, 1992a: 143). In fact, there had already been a tendency to abandon the New Economic Policy among the Central (Stalin and Molotov) and Left Opposition elite. Although Lenin legitimized that capitalism is the necessary stage to transform socialism, the promotion of private property was criticized as being an extension of the petit bourgeoisie. Stalin was also against the market economy and private ownership in fact. However, at the beginning of his term, he supported Bukharin and his economic model against Trotsky in order to

eliminate the Left Opposition, which was the most powerful faction in the CPSU. As the New Economic Policy was implemented, Trotsky and Left Opposition moved away from the CPSU.

Having pacified Trotsky and Left Opposition, Stalin turned his attention to the Right Opposition. The competition between the Right and Center turned into conflict after 1929 when Stalin replaced the New Economic Policy with collectivization. This meant that this time Stalin adopted the Left's policies against Bukharin (Bean, 1997: 86). In the end, the New Economic Policy became obsolete to catch rapid industrialization. The factories suffered from resource scarcity and trusts had little cash, which resulted in poverty (Nove, 1992a: 83). Therefore, Bukharin and his economic policy started to be delegitimized. As a result, Bukharin and other Right Opposition members were removed from the Politburo in 1929. Stalin, Molotov, and their faction became the unique faction in the Central Committee.

The conflict between factions lasted until the Great Purge in 1936. Over time, Stalin consolidated his power by using the patronage system for politburo and Central Committee recruitments. The Great Purges of Stalin designated the Soviet political elite and nomenklatura for more than the next four decades. The old Bolsheviks were replaced by uneducated but politically loyal cadres (Hanley vd., 1995: 642). As a result, the elite structure of the Soviet Union transformed from a divided elite into ideocratic. The whole power was concentrated on the leader cult. In other words, Stalin consolidated his personal leadership thanks to the Great Purge and the patronage system under the economic stagnation. Additionally, he reinforced his leadership after WWII. Stalin is considered as the name who took Russia out of the jaws of disaster into victory, even by many of those who suffered at his hands in the purges (Nove, 1992b: 88). His leadership and authority had become unquestionable, even though there were concerns among the Central Committee, particularly about the terror regime. That is to say, the country was ruled by totalitarianism for almost 15 years. The leader cult and patronage system were the main characteristics of the Central Committee during the Stalin administration.

As the elite structure transformed into the ideocratic elite, so does the economic thought. Debates on economic thought were suspended by the dominance of Stalin. The moderate economic advisers were removed from the party in 1928 (Nove, 1992b: 28). Bukharin and the New Political Economy were discredited as a result of the factional struggles in the CPSU as well as the economic disaster of 1929. Moreover, "the Stalinist revolution both killed the geneticists, who had included the leading planning theorists of the country, and demoted the teleologists" (Sutela, 1991: 13). Despite that, the economic thought had shifted towards the teleological framework. Thus, Stalin accepted the principles of the teleological school without economists. Finally, "in 1938 Molotov banned any discussion by the economists on prices: that was not their concern" (Sutela, 1991: 13). Consequently, the economic debate platform among the Soviet elite was disappeared. The genetic school had become only a historical thought. Gosplan technical staff was considered as only the executor of the policies. The economy was subordinated to politics. Therefore, the economy has become the matter of politicians, or more specifically the Central Committee.

Although WWII interrupted the economic growth, the 1950s remarked record ascendancy of the Soviet Union. Its economic growth had been almost equal to West Germany, Japan, and France, which was higher than the US and UK (Khanin, 2003: 1191). Owing to the collectivization and industrial transformation, it surpassed the European powers by the 1940s, which carried the USSR as the unique balancer against Nazi Germany in Europe. This time, the economic growth lifted it as one of the leading powers of the bipolar world order against the US. Therefore, USSR's relative position in the international system allowed it to posture a socialist political economy. For that reason, the Stalinist political economy was maintained by Khrushchev and Brezhnev.

The effects of Stalinism were not dismissed after his death. Although Khrushchev implemented de-Stalinization policies, the Stalinist political economy has important implications for the Soviet Union. Despite the terror politics, the Stalin era is remembered as high industrialization and promotion into a superpower, which consolidated the legitimacy of the ideological elite. Indeed, the employment number had increased to 24 million from 11.5 million and the industrial workforce doubled to six million between

1928 and 1932 (Kenez, 2006: 93). Thus, the maintenance of the Communist Party was legitimized. The Stalinist political economy became the legitimate interpretation of socialism. This leads us to elaborate on the implications of the Stalinist elite on his successors.

2.2. Transition to the Conservative Divided Elite (1953-1982)

Although Stalin's elite were not ideologically different from each other, post-Stalin elite was featured by being a divided elite due to the patronage system. For that reason, after Stalin's death, the Central Committee staged party – elite conflict (Lodge, 1968: 839). The conflict was based on personal relations rather than ideological differences. Although Georgy Malenkov was assumed as the leader of the state for a very short period, Nikita Khrushchev and his team deposed Malenkov and expelled him from the party together with Lavrentiy Beria and Molotov. Having deposed Stalin's supporters from the Party, Khrushchev launched the de-Stalinization campaign.

One of the main purposes of the de-Stalinization policy pursued by Khrushchev was the replacement of the personal cult with a collective leadership. In this regard, Khrushchev tried to institutionalize the elite circulation. Despite that, the general shape of the Central Committee remained the same during the Khrushchev period (Mawdsley, White, 2000: 141) in terms of political thought and membership. That is to say, they believed that in contrast to the New Economic Policy, collectivization and the planned economy are the pioneers of the economic growth, development, and industrialization of the Soviet Union. Moreover, the social and political backgrounds of the elite members were narrowly differentiated. Therefore, they had had similar characteristics with Stalin's elite in that sense. "The official de-Stalinization of the early sixties was not willing to go that far. The political economy of socialism was there to stay" (Sutela, 1991: 21). Therefore, the planned economy was maintained by the political elite. The only difference was the personal networks of the elite members. In addition to that, most of Stalin's elite remained in their positions until the 1980s thanks to Brezhnev's "cadre stability" policy. Hence, the state organization and Stalinist political economy were unquestionable among these elites. For this reason, it should be asserted that the post-Stalin period staged the conservative-dominated divided elite, where the division came from the patronage system.

2.3. Delegitimization of Conservatives

Since the ideological elites are legitimized by security and stability, change in the balance of power and economic stagnation erode their legitimacy. In this sense, the conservative faction of the Soviet elite was questioned after the 1970s, because the domestic problems and the international position of the USSR had started to change in that decade. The centrally planned economic efficiency became unproductive starting from the 1970s. Economic stagnation was the characteristic of the Soviet economy throughout the 1970s and 80s. "The original economic system, which was constructed by Stalin, had become obsolete, nearly incapable of detecting and responding to more subtle qualitative changes, wasteful of resources, and chained to bureaucratic routine" (Prybyla, 1972: 176). Soviet studies point out several reasons for productivity decline after 1970. Here we will point out both domestic and international reasons.

First, demography changed unfavorably for the Soviet Union. As the USSR industrialized throughout the 1930s and 1950s, the urban population sharply increased by 1970. This meant that the labor input had increased as well in industrial production. In contrast to that, it slowed down after 1970. This meant that labor supply growth also decreased. Nevertheless, Gosplan did not plan labor flows (McCauley, 2008: 358). Thus, input factor declines were out of the agenda, so they were never calculated by central planners. In other words, Gosplan did not have a strategy for such unexpected situations. It is identified as the extinction of rapid growth of the main resource of the Russian economy (Smirnov, 2015: 140).

The rural production, was facing the same situation. Capital and labor productivity declined due to decrease in labor supply in rural sector. Change in the structural character of the economy caused such decline. By the WWII, more than half of the population had worked in agricultural sector in contrast to

1960 and 1970, where there was sharp decrease to 39% and 25% respectively (Gosplan, 1986: 170). Since the whole production processes are highly integrated each other in Soviet Union, the decline affected the whole industrial production. As a result, the economy ended up with imbalances due to the disparity between the plan and actual output. Yet, stagnation was spreading to the whole economy.

The second reason for the production decline was residual land costs. The original industry was established in the European part of Russia due to the proximity to the natural resources in the Ural region. However, the depletion of natural resources in the Ural forced the Soviet elite to new extraction locations (Hanson, 2003: 137). This shifts their attention to Siberia. Indeed, "Siberia and East Russia dominated Soviet regional development program in the 1970s and 1980s" (Hill, Gaddy, 2003: 92). Nevertheless, transportation and infrastructural investments were too costly compared to the Urals. As a result, the industrial efficiency had diminished, so, the output fell short of plans. This resulted in a capital decline, particularly after 1975 (Ofer, 1987: 1784).

The third reason for the production decline is the increasing defense burden (Easterly, Fischer, 1995: 7). Indeed, as the leader of the Eastern bloc, Russia was responsible for the security not only of itself but also of Eastern Europe. This let the Soviet elite to prioritize defense spending during the Cold War. The share of defense spending in GDP was lower than 10% during the Stalin administration. It had increased over time. Finally, it had become three times higher than the US and OECD countries by 1980 (Ofer, 1987: 1787). This meant that, while the production was decreasing, the government was forcing the scarce resources to transform into military capacity. Thus, the resource allocation shifted more and more in favor of guns against butter. For that reason, consumption and investment had either remained the same or lowered during the same period. Economically speaking, the decline in the labor and land inputs as well as the rise in defense spending, caused a diminishing rate of return in Russia throughout the 1970s.

This led to uneven growth between the Soviet Union and its rivals gapped, which shifts our attention to the international factors. The stagnation not only slowed down the growth rate of Russia but also changed its relative position in the international system. The changing character of the global political economy after the 1980s also affected Russia's relative position. As the West caught high growth, the bipolar world order has become more costly for Russia, whose growth rate slowed down.

The Soviet system was supported economically by the production in Eastern Europe. The puppet states in Eastern Europe also provided a buffer zone for the USSR security via Warsaw Pact. "There was a deep-seated and long-standing fear among Russia's rulers that their country was vulnerable to invasion, and that the best way to deal with that problem was to expand Russia's borders" (Mearsheimer, 2001: 114). This led the USSR elite to allocate resources in favor of militaristic purposes. "Central planning allowed the leadership to concentrate its best research and development, material, and human resources on the task without worrying that market forces would bid them away, a prioritization that paid conspicuous dividends in terms of military and international political power" (Rosefielde, 2005: 33). That is to say, the USSR constituted a system in Eastern Europe and Central Asia based on a socialist economy to create a secure environment. It was the decisive leader of the Eastern Bloc under bipolar world order. Therefore, it was not only seeking power maximization but also maintaining the socialist system. It was providing the security of the Eastern European countries in order not to be contained by NATO. It was also arranging the political economy of Eastern Europe. Owing to that, its military power was superior to Western Bloc. Until the 1970s, the bipolar world order was affordable and sustainable for Russia.

Nevertheless, its advantage started to diminish after the 1980s not only because of its domestic stagnation but also its relative position in the international system due to the transformation of the liberal world. Although the Western World suffered from economic turmoil because of the collapse of the Bretton Woods system in the 1970s, the US started to generate more wealth by transforming into neo-liberalism in the 1980s. Additionally, its Asian neighbors, particularly Japan and China had caught high economic growth rates. Japan, which is Russia's historical rival in the Pacific and part of the US-led order, has taken the advantage of the free market and technological development. In contrast to that, it was not

only the USSR but also Eastern European countries in stagnation during the 1970s. Thus, the whole Eastern system was in relative decline, which meant that there was an uneven growth between the two blocs. Hence, the international environment had been becoming more insecure and costly for the USSR. It was insecure, because thanks to overcoming the crisis after 1980, the Reagan administration was able to launch a war of attrition against Russia, which is the Strategic Defense Initiative. This forced the USSR to spend more on security in contrast to its declining economic output. As a result of this, the maintenance of the socialist system had become more and more costly for the USSR. Therefore, the Soviet Union fell into relative decline, which raised a tendency for change among the elite.

Moreover, it was not only the USSR but also Eastern European countries in stagnation during the 1970s. Therefore, the whole Eastern system had been in relative decline. In contrast to that, Western Europe, such as West Germany and other NATO states were emerging as rising economies. Complex interdependence, increasing capital flows, and technology transfers among the capitalist states have become the feature of the Western Block throughout the 1970s and 1980s. Therefore, the capitalist world had been enjoying the increasing economic activities and free movement of capital and knowledge, whereas the socialist world stuck into inefficiency and lack of innovation. In other words, while Western Europe and the US were sharply developing their technologies and sharing among themselves, the USSR and its allies were to be stranded to catch them only by limited borrowing.

The domestic stagnation and relative decline of the Soviet Union hazarded the legitimacy of the CPSU. As the economic stagnation deepened, the governing elite became unable to perform a stable program. Similarly, the relative decline of the state increased security concerns, particularly against the US. The conservative faction's centrally planned political economy became unable to meet the needs. Hence, the legitimacy of the conservative faction diminished by the mid-1980s.

2.4. Transition to the Reformist Divided Elite (1982-1991)

Against this backdrop, the reform-minded Andropov was elected as the leader of the Soviet Union after Brezhnev's death in 1982. By 1980, the Soviet elite was divided already into two factions, where the conservative faction dominated until 1982. A major elite revolution started to take place when the KGB chair Andropov took the office in 1982. In fact, there had been already many sub-groups and tectonic changes within the Soviet nomenklatura which were weakly organized and bounded (Gaman-Golutvina, 2008: 1034). Andropov was in a leading position among the reformist faction. According to him, Marxism did not give answers in ideology once and for all (Sakwa, 1999: 407). It had to be reinterpreted by contemporary necessities. Andropov was the best-informed official in the Politburo about the Soviet society, and the declining rates of economic growth which were giving cause for alarm (Smith, 2005: 20). Thus, the Soviet Union was unable to generate wealth and it was only Andropov who was aware of the depth of the problem. In that sense, Andropov believed that change was vital for the state. Such change should not have been limited to economics but also had to contain the promotion of democracy. Andropov stressed that "he had not come to office with ready-made, easy solutions and that he intended to learn from as many people as he could" (Service, 2003: 430). Hence, there was a necessity for change in state organization. In order to realize it, he replaced the old members of the Central Committee with younger and reformist members such as Gorbachev, Aliyev, Chebrikov. He also dealt with corruption problems as well as national problems in his short period. Although he could not manage revolutionary reforms, Andropov succeeded more reformist elite, owing to Gorbachev.

Gorbachev's leadership was the ultimate victory of reformists against conservatives. In fact, even the conservatives, namely Ligachev, was also aware of the necessity of independent and creative members for the party (Tessendorf, 1987: 35). Nevertheless, it was only Gorbachev, who was tempted to work together with the non-party members as well as recognize the technical staff personally. Meanwhile, Gorbachev found an opportunity to appoint new members for the politburo due to the continual deaths of old politicians. In contrast to the policy of cadre stability, he was able to appoint three members each year for the politburo. Unlike the Khrushchev period, the new Central Committee was occupied by young, educated, urban grown people. They also became party members during the de-Stalinization process. This

meant that they were more familiar with transition rather than status quo, which made them reformist. Gorbachev and these new elite were aware of the need for change not only among the elite membership but also in state organization.

As a result, the new members of the Central Committee had not been bureaucrats but young local governors or deputies of the state enterprises. There was in fact taking place a "revolution of deputies" (Hanley vd., 1995: 658). These cadres had been demanding more autonomy for their institutions. Thus, the new politburo and Central Committee did consist of people who were in favor of decentralization. Moreover, decentralization was not only advocated by the Central Committee but also by the local governors. In contrast to their predecessors, the local governors advocated a bottom-up process in decision making. In this regard, the new elite sought to rearrange the state organization in order to empower the locals. As a result of this, Perestroika considered these changing characteristics of the bureaucracy and nomenklatura. Economic and managerial decentralization was the feature of the change.

This meant the revival of the discussions on economic thought. The New Economic Policy came up to the agenda again at the beginning of perestroika. The Soviet press rehabilitated Bukharin and published articles about his political economy (Bean, 1997: 89). Pro-market political thought was furthered soon though. The leading Soviet economists started to attack the existing political economic system, such as the lack of private ownership or price policies followed by the suggestion of an alternative political economy in top journals (Zweynert, 2006: 179–182). The alternative proposals were all capitalist-oriented political economic models such as the US market model or the Japanese state-led capitalist model (Moltz, 1993: 311–312). Regardless of the origin, the reformist faction of the Soviet elite intended to adopt the capitalist political economy in order to generate more wealth than the central planning as well as keeping the legitimacy of the Communist Party. In the end, perestroika had been unable to adopt any external system. Yet, they succeed in bringing back the genetic school of the economy. Put it differently, the new elite tried to reinterpret Marxism in accordance with the market economy.

3. CONCLUSION

The article sought to demonstrate how the Soviet Elite incorporated its political economic understanding with the different ideological interpretations. The Soviet elites were the ideological elite during the Soviet period. The development had to be sought by Marxist ideology. In this regard, the political economic discussions within the Marxist political economy took place in the early years of the Soviet Union, and in fact there was a pro-market stream among Bolsheviks.

Nevertheless, it is the ideocratic elite and Stalinist policies that lifted the Soviet Union as one of the superpowers and created the socialist system under the leadership of Stalin. By this means, the Stalinist elite ensured legitimacy. For that reason, the elite preserved the Stalinist ideology after Stalin, despite the elite structure transformed into the divided one. The division was based on a patronage system rather than ideological differences. Marxism and central planning were seen as the key political economy for wealth generation as well as the maintenance of the socialist system.

However, the central planning political economy and its executors lost their legitimacy after the 1970s. Central planning was unable to generate sufficient wealth in order to maintain the socialist system. In this case, the Soviet elite had no choice but to reinterpret the Marxism one again. In this regard, Andropov and Gorbachev tried to revive the New Economic Policy and Bukharinist framework, even though they did not name it.

In sum, the Soviet elite structure is divided into four stages in this article. First, a divided and balanced elite ruled the state between 1917 and 1929 by the New Economic Policy. This was followed by the ideocratic elite with central planning until 1953. The ideocratic elite was succeeded by a conservative-dominated divided elite, who kept the central planning model until 1985. In 1985, the conservative-dominated divided elite was replaced by reformists, who implemented a New Economic Policy like political economy.

To conclude, as the existing ideological interpretation becomes obsolete, the elite was replaced by another faction in the party. In other words, the Soviet elite sought to solve the economic problems within the party structure itself. Thus, the political economic ideas of the Soviet Union were determined by the legitimate elite, who was able to generate economic wealth.

AUTHOR STATEMENT

Research and Publication Ethics Statement

This study has been prepared in accordance with the ethical principles of scientific research and publication.

Author Contribution

The author performed the whole study alone.

Conflict of Interest

There is no conflict of interest arising from the study for the authors or third parties.

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