

Mobilisation, terror and rearmament: The Soviet economy on the eve of World War II

By Mark Harrison

Watching the defeat of Germany on the Eastern Front in World War II, Edward Hallett Carr concluded that the Soviet Union's industrialisation was the most important event of the twentieth century.

FORMERLY A DIPLOMAT, then a scholar of international relations, Carr set about writing *A History of Soviet Russia*. Eventually he published 14 volumes (Carr 1950-1969), covering the years from the Bolshevik Revolution of 1917 to the adoption of the first Five Year Plan in 1929.

By the end, Carr had acquired a collaborator, Robert William Davies, a specialist in Soviet economics. Where Carr left off, Davies continued work on his own *Industrialisation of Soviet Russia*. He recruited his own collaborators: Stephen Wheatcroft, Oleg Khlevniuk, and eventually me. The first six volumes covered the years 1929 to 1936 (Davies 1980-2014). That period included the collectivisation of Soviet agriculture, the first five-year plan, the economic crisis and catastrophic famine of the early 1930s, and the subsequent economic recovery.

The seventh volume of this grand project has just been published as *The Soviet economy and the approach of war, 1937-1939* (Davies et al. 2018). In the last years of the 1930s, as the threat of war increased, the Soviet leaders pursued rearmament with growing determination. Mass arrests and killings took place. The economy ceased to expand. Living standards fell. Forced labour and the regimentation of regular work increased.

As before the Revolution, ordinary people went to school and to work, married, made babies (but at a lower rate than Stalin expected), adjusted to heartbreak and separation, grew old and died (but on average they lived no longer than in the nineteenth century). Nonetheless, they carried on in a new setting, that of a society at war with the world and within itself.

What was it all about? Volume 7 concludes with a summary chapter that reflects on Soviet interwar economic development from the

perspective of the its endpoint on the eve of World War II. These are the main themes that we consider:

Forced industrialisation.

Compared to Western Europe, Russia was poor and agrarian. The Bolsheviks saw industrial power as the foundation of the modern state, and pursued it at all costs. Their policies made a clear difference: in a few years, the country became much more industrialised. But the outcome still fell short. For Russia, although no longer agrarian, remained relatively poor.

Exaggerated measures of progress. Official statistics reflected systematic biases. They exaggerated the growth of the economy and

illustrates this aspect of economic development in that radical structural change took place. Economic development can also mean the widening of human agency (Sen 1999; see also Schumpeter 1934, who attributed economic development to the agency of entrepreneurs). From that perspective, the Bolsheviks took agency out of private hands and gave it to government officials and party activists; the most important social choices were made by a handful of top leaders.

Soviet industrialisation created winners and losers. Among the winners were millions of young women who were freed from drudgery by education and training, which allowed them to escape from menial or servile positions, to enter factory and office work, and to pursue careers. The losers were the millions whose loved ones or lives were taken from them by famine or repression –

New research on the Soviet economy in the prelude to World War II reveals a society at war with the world and within itself.

the population, and concealed the persistence of low productivity and living standards. The biases were well understood, but measures to correct them they were often blocked by party leaders who preferred numbers that boosted their achievements.

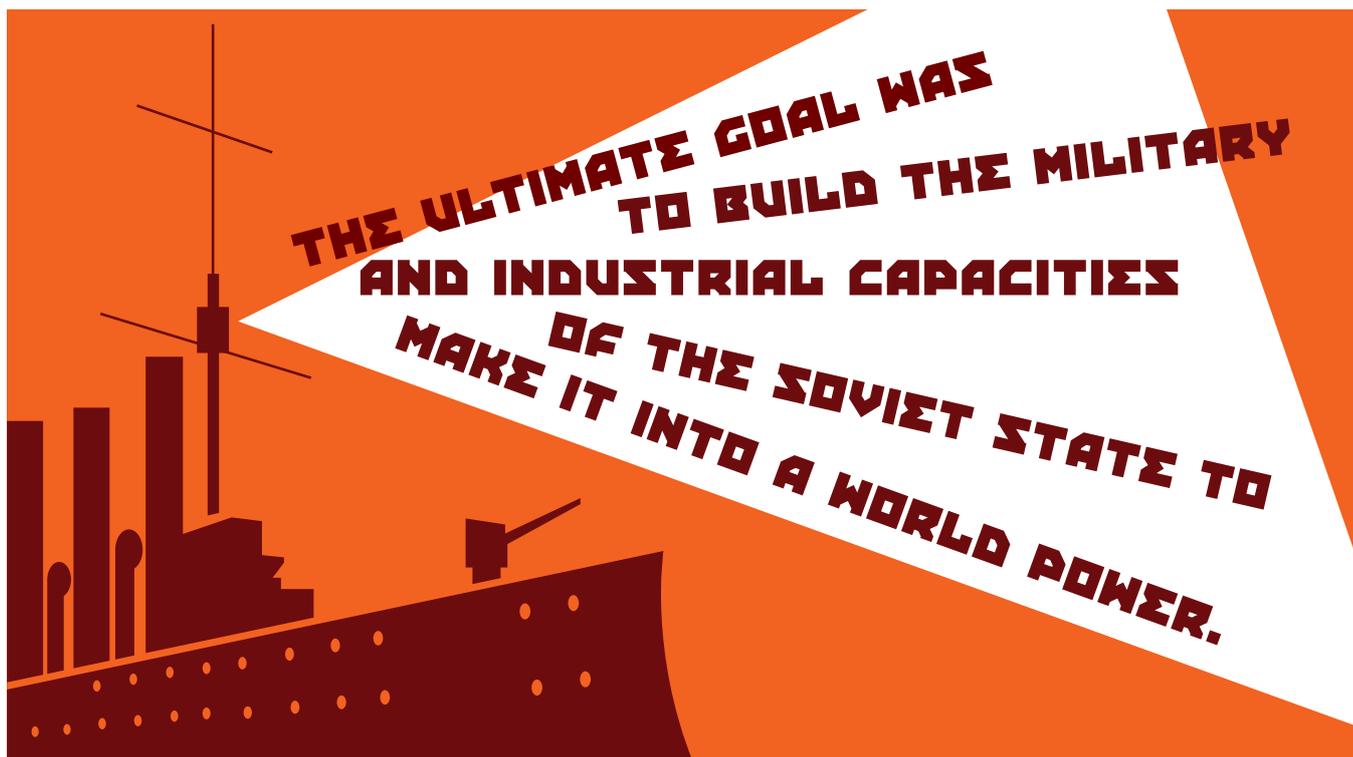
Militarisation. In the late 1930s war was in prospect but had not yet broken out. Although there was still peace, Soviet economic institutions were already exceptionally centralised and regimented. The command economy was militarised in substance as well as in form. In 1939, as Hitler launched the first phase of a war for world domination, the Soviet economy had already equalled Germany in nearly all branches of war production, producing nearly a quarter of the world's combat aircraft.

The nature of economic development. What makes economic development more than just economic growth? One answer is structural change (Gerschenkron 1962; Kuznets 1971). The Soviet economy clearly

including many young women.

What purpose lay behind the creation of winners and losers? It is easy to suppose that some design lay behind it – that Stalin's ultimate goal was to raise some groups and cast others down. Our story shows that this was not the case. The promotion of some and the repression of others were usually improvised while the Politburo chased after another, greater goal. The greater goal was to build the military and industrial capacities of the Soviet state, securing it against enemies at home and abroad, and making it powerful in the world. Everything else followed.

The greater goal was pursued at all costs and with many miscalculations. We document the mistakes, and we show that they led to further losses, which were then redistributed across society. The losses were often magnified because, when they became apparent, Stalin refused to acknowledge them or adapt his policies to them.



Despite this, Stalin's policies up to 1939 were broadly successful, when measured against the criterion of the greater goal that he pursued. His policies provided the means of national power on a scale sufficient to secure his regime at home; to survive and win the coming war with Germany abroad; and, beyond that, to go on to compete for global influence in the Cold War that would follow victory. Thus, the Soviet Union's industrialisation continues to deserve scholarly attention. ◀

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Publication Details

A preprint of the "The Soviet economy: the late 1930s in historical perspective," the concluding summary chapter of *The Soviet economy and the approach of war*, is freely available at warwick.ac.uk/cage/manage/publications/363-2018_harrison.pdf.

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