

My economic history: from revolutions to routines

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As a schoolboy I read Marx's *Communist Manifesto* of 1848. It stunned and excited me. I was captivated by the images of capitalism constantly revolutionising production and society, and the cheap prices of commodities battering down the Chinese walls of the barbarians. I didn't understand it at all; there was hardly anything in it to match my experience, apart from the stuff about the hypocrisy of the bourgeoisie on which I felt already pretty clued up. Parts of what Marx wrote seemed downright peculiar: marriage based on property? My parents' marriage was based on love! I asked my dad what he thought — was *any* of it true? He said he didn't know, which was honest and gave me permission to enquire further. I realised I *had* to know, and decided to study economics at university.

My first lectures in economic analysis were revelatory, and faintly disappointing. Aubrey Silberston told us about perfect competition and marginal cost pricing. A lad with a denim jacket, greasy hair, and a lower-class accent put his hand up and asked about exploitation. Silberston said he didn't think there was any. As that seemed to settle everything, I could not see what I was going to study over the next three years. My solution turned out to lie in economic history. We did Britain and France with Phyllis Deane and Brian Mitchell, Russia with Charles Feinstein, and India and Japan with W.J. MacPherson, and I still didn't understand, but I loved it.

Looking back I can see that my enthusiasms have changed. At that time I was gripped by the drama of revolutions: the industrial revolution, the French revolution, the revolution of 1848, the Russian revolution; smoking factories and locomotives, famines, and five-year plans. (Of the young, only the brain-dead were not in love with revolution: it was the late 1960s.) I believed in progress and the rationality of collective action. I also believed in quick results, and studied revolutions to see how they could be obtained. This was Cambridge after Keynes, so we learned

hardly anything about the long run: all we *needed* to know was that the long run consists of a succession of short runs, in the course of which we will all one day be dead. I was instinctively antagonistic to writers like Alexander Gerschenkron who wrote persuasively about historical continuities in a long–run perspective. “Plus ça change, plus c’est le même chose”? I didn’t believe it! I refused to read liberal critics of socialism like Peter Wiles. How dared they write so well?

The thread that bound us students into the Cambridge tradition was a belief that politics stood above economics. This belief was shared in various ways by Keynes and his successors; in my time it made unlikely bedfellows out of Whitehall mandarins such as Nicholas Kaldor and Brian Reddaway, the tweedy marxist Maurice Dobb, and Joan Robinson who hailed China’s Cultural Revolution and wore clothing only from the Indian subcontinent. Keynes had thought the trick was to use correct ideas about economics to educate politicians, who would then do the obviously right thing. We saw politics as a means of making the world a better place, and government service as a higher calling.

Today we live in a more cynical world. The Soviet and Chinese experiments have failed. Inflation, the supply side, and the economics of the long run have taken their revenge. In America the use of governmental power to engineer a better society is abused as “liberalism”. We understand that power corrupts, that politicians and public servants too are self–interested, that they will maximise utility, and that they will behave time–inconsistently if we let them and unless we punish them for it.

What is left of my early motivation, when I thought that the meaning of life lay in revolutions and that economic history could lay bare this meaning? Today I feel that the study of economic history is more thrilling than ever. One reason is philosophical. In a old pamphlet on a long–forgotten subject of immense obscurity my former comrade David Purdy wrote a sentence so wise that I committed it to memory from which I now paraphrase: “instead of criticising history in the light of our ideals, the thing is criticise our ideals in the light of history”. In other words the

verdict of history is not on Stalin or Hitler or Jenghiz Khan; it is on us, ourselves, and on our own preconceptions and illusions. As students of Soviet economic history we anxiously debated whether a decade of famines and purges had been an acceptable price to pay to overcome the centuries of backwardness and impoverishment. We were using our ideals to test history; we didn't see that history tests ideals, not the other way around. Like the historians that still get stressed over whether Stalin or Hitler was the bigger criminal, we were just arguing in the wrong court.

Besides, what if Stalinist terror had not accelerated but only complicated and held economic development back? As students we read Dobb's *Soviet Economic Development Since 1928*, then already in its *n*th edition; Dobb had been the first western scholar to treat the Soviet experience seriously in terms of academic economics. My contemporary Alison, daughter of the economic historian H.J. Habakkuk, argued that Dobb did not play fair: he ascribed Soviet economic difficulties before World War II to rearmament, without mentioning purges and repressions. At the time I passed this insight up, but later I understood that in a deep sense Alison was right. Whether or not Dobb's interpretation was correct, by being selective with the evidence he hadn't given history a fair chance to criticise his ideals. Since then I have seen my ideals tested, and maybe it was that they failed, or that their time had not yet come, but either way I want to know more!

Another reason that economic history has kept me in its thrall is practical: we know or can find out so much more about what happened in economic history than we did in 1970! We can look at the next thirty years after that: just think of everything that happened in them! There was an oil crisis and stagflation, European integration and monetary union, a world debt crisis, Thatcherism, China's Four Modernisations, an East Asian economic miracle (or was it?), and Gorbachev. Nelson Mandela walked to freedom, the Soviet Union collapsed, the cold war came to an end (or did it?), and the "new economy" appeared (or did it?). It sounds naive, but when I

started doing economic history I thought that history was all in the past; I didn't understand that it was still going on.

Naturally, because I am an economic historian of Russia, for me nothing in "recent history" has compared with the end of the Soviet Union. And while the balance of happiness compared to pain that this event has brought to hundreds of millions of former Soviet citizens has so far been in doubt, it transformed my professional life without any equivocation. Suddenly I could do things that I'd never dreamed would be possible in my lifetime: travel back and forth with relative freedom, rent an apartment, buy a mate a drink in a bar, collaborate freely with Russian historians, sit in the archives, and read the once-secret documents that laid bare the inner working of the economic and statistical system. I felt like Schliemann discovering Troy. I shared the elation that German economic historians must have felt in 1945 when the archives of the Third Reich were thrown open. The best thing of all was that, if you were an economic historian, you didn't have to compete with the sensation-mongers for documents because they thought the stuff you wanted to see was *too boring!* All they wanted to know was whether Stalin murdered Kirov or whether Beria was a paedophile. They couldn't care less about the allocation of budgetary resources or the monitoring of production and prices, although these things also profoundly shaped the lives of hundreds of millions of people. Finally, I witnessed at first hand the hyperinflationary disintegration of a major European economy, something that hadn't happened since the 1920s.

Today I am less interested than I used to be in revolutions themselves, and more interested in their preconditions and consequences, including what they change and what they leave the same. I am more willing to spot the continuities. I am more interested in analysing the long run, something for which a Cambridge education left me ill-equipped. I am more interested in economics, and in the scope and limits of its influence over politics. Getting to grips with the daily routine of the Soviet economic system seems more worth while than before, as well as far more feasible now that we have access to its copious paper traces in the Russian archives.

I have taken to heart Paul Gregory's distinction between historians and economic historians: he has argued that historians focus on events, anecdotes, and the aberrant behaviour of individuals, but *economic* historians have the task of trying to understand what was typical: long-run trends, routines, and averages. Typical of the Soviet system was the problems that officials faced when they tried to understand what people do when they work, and how hard they were working. One thing we can learn from the archives is just how important it was, and how difficult it was, for Soviet bureaucrats to solve this humdrum everyday problem. People may look busy, but what are they really up to? You can't tell by looking! Much of the mistrustfulness of the Soviet system stemmed from bureaucrats' realisation that people could seem to be working away to fulfill the plan, yet actually working to a different agenda, or not working at all. And how can you make them work harder? Planners were trying to reward producers for putting effort into plan tasks, and all the time producers were busy putting effort into trying to fool the planners. As for the secretiveness of the Soviet system, while some of it stemmed from real national security considerations, and some from the desire of higher authority to exclude society from the political process, we can see now that much of it was actually the result of agents at lower levels trying to defend the secret of what they were really doing when they wanted to appear to their superiors to be working to the plan.

I realise that I have written nothing about the things that divide economic historians in Britain today. Is economic history primarily about history or about economics — and, if economics, where does “social” history fit in, if at all? Is economic history primarily analysis or narrative? Does it rest on fact or on rhetoric? I can contribute little to these issues except to say that I am proud to have trained as an economist and glad that the discipline of economics remains firmly stuck in nineteenth-century rationalism, safe from twentieth-century post-modernism. Above all what I do is fun and I don't think post-modernists get much fun. Wrapped up in their own discourse they don't get to do *real* things: design aircraft that fly, measure gravity, set Bank of England base rates, or understand time-inconsistent behaviour by central planners. The only

thing that spoils the practice of economic history for me now is that, although the Soviet Union has gone, its habits are being continually recreated in British higher education by ever more burdensome regulation and inspection and proliferating performance indicators that are screwed ever tighter as people get better at fulfilling them and increased in number as people learn ways around them; in a Soviet context we called this mechanism the “ratchet”.

At heart I am still a utopian. I look forward to a future society of material abundance in which the state has withered away, taking with it the HEFCE, the ESRC, the AHRB, the RAE and the QAA. Humanity’s chief want will be to have fun, and we will all be able to do economic history to our hearts’ content, for no reward but the sheer pleasure of it.

The author

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