The defeat of the revolution in Germany and the tide of popular struggles in Western Europe caused Russia’s isolation. This is likely to have defined Russia’s destiny and that of 20th century socialism, conditioned as it was by economic backwardness, as a fundamental horizon limiting its development. Marx foretold that socialism would emerge in the center of capitalism, precisely due to the greater development of productive forces, with the corresponding greater development of social classes and the contradictions among them. The objective of this paper is to analyze how this imbalance between economy and politics did come about in the history of socialism in the 20th century and its consequences.

1 INTRODUCTION

What does Marxism have to say on development? Certainly, a lot. The Communist Manifesto already recognized, substantially, the extraordinary capacity of capitalism to expand productive forces – which repeatedly clashes with its incapacity to distribute income, generating the cyclical crises of overproduction or under-consumption.

One of the methodological pillar of Marxism is the contradiction between productive forces and production relations, whose dynamics reach a certain limit where production relations become a constraint to economic development. This is when a revolutionary period of transformation from one type of society, based on one means of production, into another.

These theoretical foundations made room for a great tradition of Marxist economists, from theoreticians and revolutionary leaders at the same time, such as Lenin and Rosa Luxemburg, to the great thinkers of Marxist economy and thinking in general, such as Maurice Dobb, Paul Baran, Paul Sweezy, Immanuel Wallerstein, Giovanni Arrighi, Samir Amin, Robert Brenner, among many others.

Alongside the theory, the concrete history of socialism brought many other economic challenges, some of which will be mentioned in this text. The USSR, China, Cuba, Vietnam, among other countries, had to face intense economic
dilemmas that somehow, through the way they were addressed, also defined the future of these political processes.

As socialism emerged in the semi-periphery rather than in the center of the system, with all its economic development, and later expanded to the periphery, the economic problems required innovative approaches from Marxist theory and socialist political leaders. The economy became a privileged theme of Marxism, including the strong economicist biases in the models adopted by socialist governments.

Marx’s analyzes were concentrated on England not with a view to focusing on the country, but to study the economy in which productive forces were most developed, and to capture, as best as possible, the laws of development of capital—the real subject of “The Capital”. The contradictions between the productive forces and production relations became one of the interpretative pillars of Marxism. The other is the class struggle as an essential pillar of history.

In Germany, under the impact of its accelerated growth, what was to be known as the social-democratic interpretation of Marxism evolved, privileging the development of productive forces as a driver of the anti-capitalist struggle, vis-à-vis the struggles in the political sphere—in what was characterized as an economicist or structuralist view of Marxism.

The USSR, isolated as it was in the nineteen-twenties, produced another economicist stream of Marxism, centering its development in the expansion of productive forces. The issue of the relations between economy and politics resurfaced when the first historical expression of rupture of the imperialist chain took place in backward Russia and not in one of the countries at the center of capitalism. Gramsci characterized it as a “revolution against capital”, in the sense that it did not follow Marx’s prediction that it would take place in the more developed countries, due to the higher degree of expansion of the productive forces. Lenin interpreted this departure as a knot that had to be undone, when he claimed that it was easier to take over power in Russia—owing to the weakness of the political power of Czarism—, but that it was much more difficult to build socialism—not only due to economic backwardness, but also due to the qualification of the working class, both objectively and subjectively. Lenin—as well as Trotsky—intended the German revolution—in an economically developed country—to rescue the Russian revolution—in an economically backward country.

The defeat of the revolution in Germany and the tide of popular struggles in Western Europe caused Russia’s isolation. This is likely to have defined Russia’s destiny and that of 20th century socialism, conditioned as it was by economic backwardness, as a fundamental horizon limiting its development. Marx foretold that socialism would emerge in the center of capitalism, precisely due to the greater development of productive forces, with the corresponding greater development of social classes and the contradictions among them.
How did this imbalance between economy and politics come about, marking the history of socialism in the 20th century? What were its consequences?

2 THE MISADVENTURES OF CONCRETE HISTORY

Lenin's analysis is the one that best accounted for this unexpected and unprecedented phenomenon. First, by capitalism's shift to its imperialist phase, captured by several theoreticians at the end of the 19th century – Hilferding, Bukharin, among others. However, its historical and political dimensions were more clearly shown by Lenin.

The dynamics of the process of capitalist accumulation, analyzed by Marx, rests on a dynamics of continuous expansion that, nevertheless, clashes with the mechanisms of appropriation of surplus value, leading to what Marx characterized as a general trend towards a drop of the profit rate. Since accumulation is centered on surplus value, which in turn is centered on labor, the trend towards increased investments in constant capital – in particular technology – rather than variable capital – wages -, results in decreasing profit rates. This is recovered by the increase of profit mass, condemning capitalism to constant expansion of production.

Such expansion at company level was transferred to the national sphere, and as colonial powers were constituted, competition and dispute for new territories by the different powers was internationalized. The Berlin Conference itself, where the great colonial powers sliced up Africa with ruler and compass, expressed an extreme moment, identified by Lenin, when the great powers concluded the division of the world. As a consequence, since there was no limit to the process of accumulation, it would have to take place no longer as appropriation of new territories, but as expropriation of the spaces of other powers. In other words, the dynamics of capitalist accumulation pointed towards a new historical phase – the shift to the imperialist stage – and the historical period of inter-imperialist wars.

Lenin's prediction came true dramatically and severely throughout the first half of the 20th century, with the two world wars – in reality, a single war, divided into two parts -, that were actually inter-imperialist wars. After a relatively calm period under British colonial rule, World War I broke out, startling those who did not have Lenin's perception. After all, in the region of the world that considered itself the most civilized, the most savage conflict in the history of humanity erupted. A face-to-face war, fought with bayonets, that spread all around for four years and produced tens of millions of dead in the battlefields.

Lenin's Interpretation also explained why the imperialist chain would break at the edges rather than the center, as Marx had foreseen, making history take a detour before resuming its basic laws. The victory of the Russian revolution contradicted Marx's predictions, but did not abolish the central themes that socialism would have to inherit capitalism's economic development, in order to reshape it into a different, superior, socialist society.
For Lenin, capitalism’s evolution to its higher imperialist phase was not only an economic phenomenon, but had several social and political consequences. By exploiting their colonies, imperialist powers shared the fruits of this exploitation with the other national classes, including the working class. Thus, a better remunerated working class would become a kind of labor aristocracy, aligned with colonial exploitation, disguised under the chauvinist ideology, instead of aligned with the people of the colonized countries.

Thus, while there was a reduction of contradictions in the center of capitalism, they became more severe in the periphery, in the colonized countries. The national issue became sharper, to the loss of the social contradictions in the center. This mechanism, typical of the imperialist phase, would contain the explanation why the system erupted in the periphery and not in the center, as Marx had originally predicted.

That was a moment of crisis of a basic rule of the modern age, which likened economic development to civilization. The most economically developed powers, which were therefore considered the most civilized, fought savagely. The same ones that had claimed to belong to the category of “civilization” and relegated others to the category of “barbarians”. They fought over chauvinist ideologies of national superiority of one country over the other, covering up the inter-imperialist dispute to re-divide the world among the great imperialist powers.

Backstage, England’s role as ruling power was also being questioned. The turn of the century had evidenced symptoms of exhaustion of the British empire as the world’s dominant power, such as the war in South Africa, and China, that gave London a hard time. Two emerging powers fought to become the new ruler: Germany, after Bismarck’s conservative modernization, and the United States, after the Monroe Doctrine and its agreements with England.

The break out of the war at first led the US to maintain its isolationist position, as if the war were a European issue and its interests were not at stake. When it realized that Germany was beginning to triumph and would emerge as the great successor of England, it quickly promoted the formation of an internal public opinion favorable to participation in the war – an indispensable condition to engage in such a bloody conflict. The year 1917 thus brought, on the one hand, the US’s decisive entry in the war, tipping the scales to the western side. On the other, the Russian Revolution, which would lead the Soviet power to leave the war. Thus emerged the two superpowers that would play the major roles in the world’s second post-war political scenario.

Postwar agreements, which punished Germany severely, especially in economic terms, confirmed the central goal of inter-imperialist dispute for the
colonies and spaces within Europe itself. At the same time, for the first time economic development was used systematically and globally for military purposes by virtually all the major powers, redefining the role of development of the productive forces articulated with the anti-cyclical function of the war industry.

3 THE SCRIPT OF CONCRETE HISTORY

From the point of view of socialism and Marxism, the first war had a positive outcome: the Menshevik government’s failure, an ally of the western powers and, thus, incapable of removing Russia from the war and addressing, through this route, the problem of the poverty of the masses. At the same time, it led to integration of peasants and workers in the war fronts, with weapons in hand. The accelerated growth of the Bolsheviks and, finally, their victory in October 1917, were directly related to World War I.

In Europe, Germany’s defeat coincided with the country where socialism had developed most, due to the strength of the German Social Democratic Party, the fastest growing in the world, alongside the explosive German economic cycle of the last decades of the 19th century. Russia had become the weakest link in the imperialist chain, for condensing a set of contradictions, which allowed the Bolshevik revolution.

With its defeat, Germany took this place. Its economic development was blocked, its internal contradictions condensed. A true revolutionary situation was generated in the country, which foretold a radical solution to the crisis. The Nazi triumph soon after would confirm this diagnosis.

The Bolsheviks were confident of a revolutionary solution in Germany, which would rescue backward Russia. The defeat of the revolutionary projects of the Spartacus party, directed by Rosa Luxemburg and Karl Liebknecht, determined the isolation of the Bolshevik revolution. After that, Western Europe began to recover from the damages caused by the war, becoming economically and socially stable.

The global socialist movement split at the beginning of the war between social democrats (favorable to the participation of the social democrat parties sided with the bourgeoisie of each country in the war) and Communists, pacifists and internationalists. This division benefited the right wing even more, since the conflict between left wing parties weakened the left wing even more and facilitated the isolation of the USSR, severely criticized by social democracy as another version of totalitarianism.

The isolation of the Russian Revolution brought unexpected challenges for the Bolsheviks. What was only a momentary detour, according to Lenin,
condemned the USSR to drawn out isolation. Internally, economic difficulties multiplied. In addition to the damage caused by the war, there was the 1917 revolution and the internal civil war – in which more than 10 foreign armies intervened in the country.

The Bolsheviks called on the peasants to take over their lands, while the workers socialized means of production in the cities. From this combination arose, in an unequal fashion, the worker-peasant alliance, which held strong contradictions. The peasants, with ownership of their lands, began to produce, encouraged by the leaders of the revolution. After an initial phase of socialization of the scarce existing resources, coined “war communism”, Lenin began to implement a policy of economic opening, calling on small property owners – especially farmers – to multiply their production.

But the economic scarcity of the cities did not allow them to receive goods or remuneration in return. The peasants began to sell in the black market, as well as to the troops of the foreign armies. The Bolshevik government took this as an attempt to strangle the revolution by hunger.

These harsh material realities reflected the detour foreseen by Marx. Socialism had to face on its own what one of the Marxist theoreticians of the time – Preobajhensky – called “primitive socialist accumulation”. If in its original formulation socialism was to be the denial and overcoming of capitalism, incorporating the level of development of the productive forces, in a radically different type of society, the break from capitalism in the periphery raised, among other problems, that of how to tackle the economic backwardness inherited from the defeated regime. This is what lay at the bottom of the debate between Stalin and Trotsky, after Lenin’s death.

Trotsky intended to interpret directly Marx’s theses on the need to develop the productive forces as a material base for the overthrowing of capitalism by socialism. He incorporated Lenin’s interpretation, that backward Russia would be rescued by developed Europe. So Trotsky proposed to focus efforts on the internationalization of the revolution, to rescue the Russian revolution. He considered that closing at national level would be a death sentence for the revolution, surrounded by scarcity, by peasants, by military harassment and by external siege.

Stalin started from western stabilization, the disappearance of revolutionary alternatives in Europe and other places in the world. What was to become of Russia, what was to become of the Russian revolution? This is where the force of Stalin’s argument resided. However, he turned necessity into virtue, by means of the theory of “socialism in one country”.
Russia felt the problem intensely, when the retraction of the peasant economy caused hunger in the cities and the Soviet government responded with violent and massive expropriation of the peasants. This allowed the accumulation that led to accelerated industrialization, but until the very end the Soviet government was left with an unsettled agrarian issue and had to face the hostility of the peasantry, due to the violent way in which it attempted to address this issue.

The Soviet model privileged the development of the productive forces, the recovery of the economic delay in an imperative manner, sacrificing the alliance with the peasantry and even the internal democracy of the Party. Surrounded by imperialist powers outside and the agrarian economy inside, the Soviet power chose compulsory industrialization, as a fundamental strategic objective.

The industrial development of the 1930’s allowed the USSR to resist the military onslaught of the biggest war power of the time – Nazi Germany –, years of the brutal siege of Stalingrado, and to advance on Berlin, becoming the decisive and final factor in the defeat of nazism. However, deep inequalities had been introduced into Soviet society and power.

Inequalities between industrial economic development and agrarian development. Between the direct participation of generations of urban workers in the new State and the exclusion and repression suffered by the peasants. Between economic growth and social promotion of new generations of workers and internal repression to the Party. Between the generation of a military power and the poverty of the masses. Between nationalization of the means of production and the destruction of the soviete councils that were the basis of the workers’ power.

Stalin’s option structurally marked the Soviet model, which intended to move forward in the construction of socialism through the expansion of the productive forces. Until, in the 1960s, Khrushchev announced that the USSR would surpass US economically. It was the grander version of this vision. A backward European country, in five decades, in spite of the destruction caused by the civil war, the second world war, still managed – according to this version – to surpass the most developed capitalist power in the world.

This model was taken up by the international communist movement and by several other governments as a guide for the construction of socialism. Prioritzing economic development to the loss of political democratization. Defining socialism essentially as economic development.
4 PRIMITIVE SOCIALIST ACCUMULATION

As the revolution followed its heterodox path, not headed towards the countries of the developed center of capitalism, but moving increasingly to the periphery – China, Cuba, Vietnam –, the development issue became even more pressing. The world became increasingly polarized between the economic development of the central powers of capitalism and that of the peripheral countries on the three continents – Asia, Africa and Latin America.

The Soviet model was eagerly welcomed by the peripheral countries, which urgently needed models of accelerated economic development. It had a great influence on economies that had just emerged from colonialism, particularly in Africa and Asia.

The theoretical field of the bipolar world of the second postwar period was built around two opposing interpretations. For the socialist camp, the basic contradiction of the time was between capitalism and socialism, the Soviet model and the extension of the socialist camp represented the strength of this camp and its increasing expansion. For the capitalist camp, the contradiction was between democracy and totalitarianism. First, the nazi and fascist totalitarianism was defeated, later Soviet totalitarianism, and then Islamic totalitarianism was to be tackled.

During the period of existence of the socialist camp, it played a role of support to new countries that faced the issue of breaking away from capitalism. For Cuba, somehow, it worked this way, providing oil, weapons, preferential market. But Cuba wanted – and this was proposed expressly by Carlos Rafael Rodrigues, representative of Cuba in the CMEA – it to be a historical role expressly taken up by the socialist camp.

It was clear that Marx's claim that socialism should emerge in the center of capitalism was not only due to the more advanced constitution of the social classes and, presumably, due to class contradictions. It was also due to the essential material base for the construction of socialism. Not only to meet the basic needs of the population, but also to create the material conditions to overcome alienation: control over the work and production conditions by the producers themselves, through socialization of the means of production, but also sharp reductions of working shifts, allowing more free time for men to exercise their freedom.

When it appeared in the periphery, it was theorized – Trotsky did it most emphatically – that the constitution of an imperialist chain at world scale made the revolution mature in all of its links, even the most backward. This is what would have happened in Russia, which in order to address its pending national and agrarian issues had to break with capitalism and establish a workers’ and peasants’ State. The pending bourgeois issues would
be settled under the rule of the proletariat – in the version of the concept of “skipping historical stages”, which would explain the failure of the Mensheviks and their solution by the Bolsheviks, through the motto “Peace, bread and land”, with which they took over power.

Conquering peace was only possible through a coalition of forces not committed with the division of the world between the great imperialist powers, and was a condition not only to prevent the suffering of the people in the battlefields, such as in the fratricidal war between workers of the two warring camps, but also, so that the resources spent in the war could be used to fight the hunger of the Russian people. The bread issue depended on the war issue. The conquest of the land by millions of peasants depended on an unrestricted coalition with the large property owners.

This is how the Bolsheviks put into practice the solution of the pending issues of the unconcluded democratic revolution, with the emerging socialist revolution. However, this did not solve the problem of the material development conditions of socialism, or the themes related to the economic development of the country. The agrarian structure remained backward, condemning the mass of peasants to extreme poverty. The urban structure lagged behind the urbanization and industrialization levels of the great western powers.

The theme of primitive socialist accumulation – already mentioned above – was raised for Marxist theory to address. Where to find the resources to take the material quality leap that would allow the construction of socialism in the periphery, in backward countries, where capitalism had been exhausted without having settled not even the agrarian issue? In the theory one can simply speak of “skipping stages”, but the socialist stage had inherited backwardness – with all its connotations: ignorance, poverty, technological lagging, unskilled work force, etc.

In face of this quandary, as we said, characterizing the attitude of the peasants as sabotage and an attempt to siege and strangle proletarian power, Stalin began massive, hasty and violent expropriation of the peasants’ lands. With this he accelerated tremendously the collectivization and nationalization of lands, at the same time placing in the hands of the Soviet State a large amount of resources to take a spectacular leap in the process of industrialization of the economy.

This measure marked the Soviet economic development deeply, both positively and negatively. Compulsory industrialization made the State’s reasons – survival of the Soviet State in face of the threats of the imperialist siege, the harassment of the agricultural producers, the threats of continuity of the former through World War II – prevail over the capacity of social forces to undertake, in a conscious and organized manner, these basic tasks, that the survival of the Soviet State, isolated and antagonized by the western powers, depended on.
By prioritizing the development of the productive forces, the USSR achieved spectacular economic expansion for a decade – the 1930s -, recovering from the destructions of the previous decade. It later also managed to recover from the brutal destruction caused by the attacks of the German army during the second war and resume a cycle of expansion. The Soviet economy had already demonstrated, in the 1930s, while the capitalist economy suffered the harsh blows of the 1929 crisis, how its centralized planning left it immune to crises, retrocession and fluctuations, allowing it to grow at a reasonably uniform pace along time.

Since it started from a low level and had to face two major processes of reconstruction, the Soviet economy and the USSR as a country were able to present remarkable growth rates. It started from a backward level, similar to that of Turkey at the time of the Russian revolution, and in the second postwar period it had become a superpower, had divided up the world and was managing it together with the other superpower, the US.

The expansion of the productive forces was always its main flagship. It consolidated an economist vision of Marxism. It intended for economic growth to turn socialism into the key element of superiority over capitalism. It believed that it was at the threshold of surpassing capitalism in the economic sphere and not in the quality and type of society.

The mechanism worked while the USSR developed a type of growth centered on reconstruction of infrastructure, supply of basic goods, such as housing, clothing, furniture, shoes, etc. When this phase ended, demand began to focus on more technologically sophisticated products. When it had to depend on massive use of manpower, on its discipline, on centralized planning, the economy grew quickly.

As of the second half of the 1950s, demand became even more sophisticated, coinciding with Stalin’s death and more flexible internal politics. Eric Hobsbawn has no doubt about it: the USSR lost the competition with the US along that decade. Not only because of the still elementary stages that Soviet industrialization was going through, but primarily because of the technological advances of the US economy, which took the lead in key high-tech sectors of the economy.

Even before it disappeared, the USSR had lost the technological battle with the US. The resumption of the cold war by Reagan forced the USSR to invest in military technology, for which it had no resources. Its economic structure became increasingly dual, with concentration of technological advances in the military sectors and huge lagging of other sectors of the economy. The world’s bipolarity was guaranteed by the nuclear tie, without any comparison of GDP or per capita product or level of general technological development between the Soviet and US economies.
The aim of surpassing the US economically, making economic development capacity a factor of predominance, ended in failure. When the Internet was introduced, the game had already been decided, but if it hadn’t, that would have been the definitive factor of technology defeat of the Soviet model.

Gorbachev’s project was born frustrated, becoming the last chapter of the economist interpretation of Marxism by the Soviet model. Social democracy had already abandoned its economist interpretation of Marxism, when it abandoned Marxism definitively and took up projects to democratize capitalism.

Primitive socialist accumulation based on expropriation of the peasantry allowed an industrialization process, but was never able to rely on the agricultural economy, and always had to deal with the opposition of the peasants. It managed to drive the first stage of industrialization, but never to compete with the degree of economic development of countries at the center of capitalism. It became clear, in the end of the socialist camp, that the general demand was not the conquest of democracy, but access to the consumption of countries at the center of capitalism.

5 PRIMITIVE SOCIALIST ACCUMULATION IN THE AGE OF GLOBALIZATION

The end of the socialist camp is part of a set of regressive elements, marking the introduction of the contemporary historical period. Added to this is the shift from a bipolar world to a unipolar world under the rule of the United States, the shift from a long cycle of expansion of capitalism to long recessive cycle and the shift from a hegemonic regulatory model to a deregulating, neo-liberal model.

Its multiple consequences include the naturalization of the capitalist economy, as socialism was no longer a historical reality that it had been since the 1917 Bolshevik revolution. With the triumph of the western block in the cold war, its interpretation of the world won, raising the capitalist economy to the category of international economy, as if the possible historical horizon were limited to the market economy.

Among its effects, one of the most spectacular was China’s choice for a market economy path – that they consider as market socialism. After a decade of the so-called “cultural revolution”, which disorganized the whole of society, including the State, producing 200 million unemployed, in addition to very negative historical references – Albania and Cambodia, experiences of “equality in poverty” –, China faced the classic problem of primitive socialist accumulation. Deng Xiaoping – the great theoretician of the new phase of the Chinese process – claimed that socialism and poverty had nothing to do with each other. It was necessary to take a giant material leap.
The Chinese searched for capitals where they were to be found: in the market. Initially, in the capitals of the Chinese colony in other Asian countries, later directly in the economies of the center of capitalism. They drew lessons from the failed experience of Gorbachev in the USSR and, instead of trying to promote economic opening and political flexibility, on the contrary, they strengthened the role of the State to guarantee control over the economic opening.

Gradually the industrial sector was privatized, with the government keeping the area of infrastructure and services, but above all economic regulation, which allowed controlling the degree of economic opening. As the process of privatizations moved forward, the degree of state coverage in the social sphere decreased, especially in urban areas, where increasing shares of the population headed to, until almost half of the total population of China was living in cities.

The famous sentence “It doesn’t matter whether the cat is black or white, as long as it catches mice”, by Deng Xiaoping in 1978, at the time of launching of the program of reforms that changed, in a few decades, the face of China, reflected particularly the change of concepts of the country on the theme of development. The cultural revolution of the previous decade had developed the most radically opposing concept to this. Taking literally the Marxist interpretation that attributes to everything an inexorable stamp of class, the cultural revolution had made the most radical critique of the role of technique, division of labor, intellectuality, science, university, knowledge in general and culture.

The strongest criticism was against the division between material work and intellectual work, which allowed the latter to own knowledge, with the corresponding privileges. Seen as a product of the capitalist division of labor, the construction of large productive and economic structures in general, that would enable this division, were equally repudiated. The economic structure should rest on small units, controllable by the workers, at the same time that processes such as the cultural revolution should be undertaken, to purge Chinese society from the privileges of intellectuals and scientists, who tended to become autonomous and enjoy the privileges of knowledge and power. The cultural revolution virtually wiped out the university system of research, banishing millions of research studies that supposedly had been contaminated by the virus of capitalist forms of material and intellectual production. Even the Chinese State had many of its structures dismantled, as part of the anti-bureaucratic struggle.

This concept had triumphed in Albania and, more dramatically, in Cambodia. There, economic closing to the international market was combined with extolling of backwardness, covered up by equality and the claim that any form of modernization was “bourgeois and capitalist”. Conservative tyrannies were established, both in relation to the essentially democratic forms of political
life, and in relation to knowledge, research, culture, technological development, intellectuality and the scientific world. The urbanization processes were characterized as contaminated by the capitalist ideology, life in the field, in the small units of agricultural production was glorified. Millions of people were transferred forcibly to the rural areas, for processes of “political reeducation”, based on the view that there they would experience “ideological purity”, uncontaminated by capitalist influence.

The result was a brutal economic retrocession and a tyrannical regime. Scarcity is always a bad adviser, and tends to generate privileges, deeply stratified and rigid social structures, as well as repression and segregation. The defense of equality in poverty has nothing to do with socialism, it belongs to pre-capitalist times, it does not stimulate the increase of production and productivity, ultimately consolidating poverty in the name of equality and socialism. They could not survive for long, despite the closing and isolation, as well as the repression.

China, which had been a more prosperous and richer civilization than Europe, was submitted to something similar to the cultural revolution, but earlier it had tried the opposite path, with Mao’s Great Leap Forward, in an attempt to overcome the Chinese material lag. China finally chose the path of accelerated economic development to overcome the lag, with market economy capitals and technologies, within a rationale submitted to the priorities defined by the Chinese State, above all lifting hundreds of millions of Chinese from poverty.

Within their long-term view of history, for the Chinese this is only a relatively short stage, in which the right to access basic goods and reinsertion in the international market are claimed, towards the construction of a relatively prosperous country. They consider this path as a type of solution, in the conditions of China, of the question of primitive socialist accumulation. However, they maintain their strategic objectives of construction of socialism and communism, of a society without classes and without State.

Cuba also has that to face similar issues. Cuban society had been diversifying when the USSR came to an end, and the country entered what was called a “special period”, a situation reserved for some likelihood of war, but used in face of the huge emergencies that Cuba found itself submitted to.

The special period consisted of emergency measures to face the end of the collective planning system, which had allowed Cuba, when joining it almost two decades earlier, to have the cycle of greater economic development. First, through the long-term planning that the system allowed, leaving the country safe from the typical oscillations of capitalist economies, even more so in the case of a country that depended on exportation of surplus raw materials in the international market, as was the case of sugar.
Second, because it ensured a safe market for its exportations, with steady prices, just as it ensured the supply of oil and armaments. Thus, economic planning could be done in conditions of predictability and security provided by a collective framework that each country joined.

The abrupt end of the socialist camp left Cuba in the worst crisis of its history. It suffered a brutal drop of its gross domestic product, was left without oil, without a market for its export products, and only survived thanks to the legitimacy that the revolution had achieved in the mass of the population. There were power cuts for a few years, also in the tropical summers, when the lack of fans, refrigerators, television reduced the well-being of its population to an elementary level.

Five years after the start of the special period, Cuba adopted measures to increase flexibility, allowing people to open some businesses of their own, to work to cater for the demands of tourism, to receive remittances from abroad. The measures brought some relief of the most difficult situation experienced in Cuba, but other factors were crucial to overcome that situation, such as the important discovery of oil on the coast of the Island, agreements with Venezuela, China and Brazil.

However, this entailed recovery of a certain level of demand, without solving the structural problem of primitive socialist accumulation that had become more pressing since the end of the socialist camp. The change of government in the US might allow a negotiation that will minimally normalize economic relations between the two countries.

Cuba is preparing for two negotiations with the foreign capitals that it needs to take an economic leap in its internal situation, for which it does not have the advantages of China, such as a huge and rapidly expanding domestic market. It has good quality work force, but nothing compared to the scale of the Chinese economy. But the question is open for Cuba.

**6 DEVELOPMENT IN ANTI-NEO-LIBERALISM**

In the shift from the long expansive cycle of capitalism at international scale to the current long recessive cycle, the theme of development was put off in the central agenda. The virtuous combination of growth in the center, the periphery and the socialist camp had achieved economic development, under different forms, in different places of the system. The agenda of the recessive cycle is under the command of monetary stability, fiscal adjustment, financial austerity. Development is now associated with inflation, state induction, income distribution – categories marginalized by the new triumphant consensus.
The Trilateral Commission highlighted one of the central themes of the new hegemonic agenda: the theme of ungovernability. In face of repressed demands not met by economies in recession, the concept of “restricted democracies”, which would selectively meet demands, came under debate. It was clear that political democracies clashed with economies in recession. And that they would not be able to assimilate the existing demands and repressed demands. So they pointed to “restricted democracies”, selective in meeting demands.

This position was adopted by neo-liberalism, which submitted all the demands to the filter of monetary stability. The result was a brutal recessive process. The anti-neo-liberal governments emerged attacking the two least resistant and weakest points of the governments that had implemented the model: social policies and regional integration. Other aspects, such as resumption of the State’s functions as inducer of development and economic regulation, arose as a need of these two demands.

The policies of the new Latin American governments have not yet become an alternative development theme, since they only include a few, albeit essential, elements. Much less can one claim that they are on a clear path of overcoming of neo-liberalism or that they have anti-capitalist potential.

The essential objective of the neo-liberalism is to promote mercantilization – a historical objective. It consists of a historical reaction to the regulation process imposed by the Keynesian State. Overcoming neo-liberalism is to de-mercantilize. De-mercantilizing is to privilege the public sphere rather than the market, to promote universalization of rights in the place of mercantilization of social relations. The more de-mercantilization, the more the public sphere is strengthened, the more anti-capitalism is promoted – the essential objective of Marxism. It is an open process, the object of open ideological and political dispute, on whose outcome depends the future of neo-liberalism, of capitalism and, therefore, of socialism and Marxism.