Review Article on Bernard Chavance's 'Le Système économique Sovit'etique', Editions le Sycomore, Paris, 1983.

Economic Regulation through Shortage

Ramnath Narayanswamy

In an age where contemporary ideological conflicts concerning the alleged economic superiority of the economies of the Soviet-type over traditional capitalist systems have come to be increasingly questioned, there has arisen over the years, a growing need for a critical appreciation of the features (e.g., mode of regulation, systemic constraints of large scale centralised planning, forms of ownership, economic behaviour, etc.) that distinguish the economies of the Soviet-type from Western capitalist systems. While the essential features of the capitalist system appear familiar and easily identifiable, the Soviet economic system has long been viewed as a bizarre spectre characterised by the "universal reign of economic irrationality" — something that seems to forever elude any form of recognisable analysis.

Actually, the author of the book under review argues, this is not true. The Soviet economic system reflects a certain order amidst its outward disorder, a hidden stability despite the anarchy so conspicuously present and a unique economic rationality that co-exists along with several other irrationalities - features which in greater or lesser measure, are characteristic of most capitalist economies as The author presents a succinct account of the contradictory nature of the Soviet economic system and the original forms of rationality and irrationality they display, through a study of its structures, behaviour and conflicts, in so far as these latter emerge as a result of a specific mode of regulation. The book is divided in six parts dealing variously with the system of wage labour, the organisation and planning of industry, foreign trade, agriculture, the general features of the model of development and the economics of shortage. Since the text presupposes a knowledge of the historical background and the political systems characteristic of the one-party states of the 'socialist' world, these have not been treated. Although the text serves as an ideal textbook on the Soviet economy, its relevance is by no means restricted to the Soviet Union alone but includes an understanding of the other economies of the Soviet-type as well, implicitly at first and explicitly