

All pre-Marxist and non-Marxist schools aren't familiar with the concept of the mode of production introduced by Marx and Engels as the best key that helps us to understand all social phenomena correctly.

The essence of this philosophical key is the dialectic unification of relations of production (RD) and productive forces (PF) considered as the unification of the opposites constituting the entirety of the social production. Marx and Engels, in 1846, visualized for the first time this unification as two qualitative exchanges in the production: exchange between the humankind and the nature (forming RP) and exchange between human beings themselves (PF).

The interplay between RP and PF is generalized by Marx and Engels into the law on the conformity of RP to PF. This law became the solid basis of Marxist philosophy, political economics and scientific communism. The recognition of this law is what

kind showed that there are only two opposite ways to industrialize the economy.

The first is the industrialization occurring under the rule of capitalist mode of production based on the private ownership of means of production. This industrialization started in England in the second half of the eighteenth century, and this process, in its two-century history, has gone side by side with crises of all kinds (inflation, unemployment, depression, environmental pollution, crises in the superstructure, etc.)

RP, as Engels put it, show themselves in relations of interest. So, the capitalist industrialization and modernization prepared the technical-material basis for socialism, and even for communism, but at the same time, this process also heightened the conflict in the capitalist society between employers and workers, between capitalist countries and between colonial powers and their colonies.

It's unnecessary to reason with

anyone who wants to deny pages full of blood and tear of the capitalist industrialization and modernization process which has no end other than interest of a handful of bourgeois or imperialist powers. However, it's very useful to draw from this process theoretical and methodological conclusions needed for clarifying the present industrialization and modernization with socialist orientation.

One of these conclusions is what was presented by Marx and Engels in their *Manifesto of the Communist Party* (1848): the capitalist class can't exist if they fail to revolutionize means of production, thereby revolutionizing RP, that is, revolutionizing all social relations.

Apparently, reason for the existence of capitalist order is different from that of pre-capitalist orders. For example, the feudal system is based on the static conformity of RP with PF in the society: simple tool-feudal ownership of land-barter system-dictatorial superstructure. Contrarily, attacking continuously all components of the feudal structure, the capitalist class has gradually formed production and exchange mechanism of its own along with the capitalist system as a whole both before and after political capitalist revolutions. In this process, the capitalist system has experienced three stages of development described by Marx in his *Capital*: simple cooperation, manual manufacture and industrialization.

Thus, the dynamic interplay between RP and PF has paved the way for the development of modern capitalism in the twentieth century, and certainly, in the twenty-first century as well, beyond prediction made by Marx, Engels and even Lenin. Besides the interplay of RP and PF,

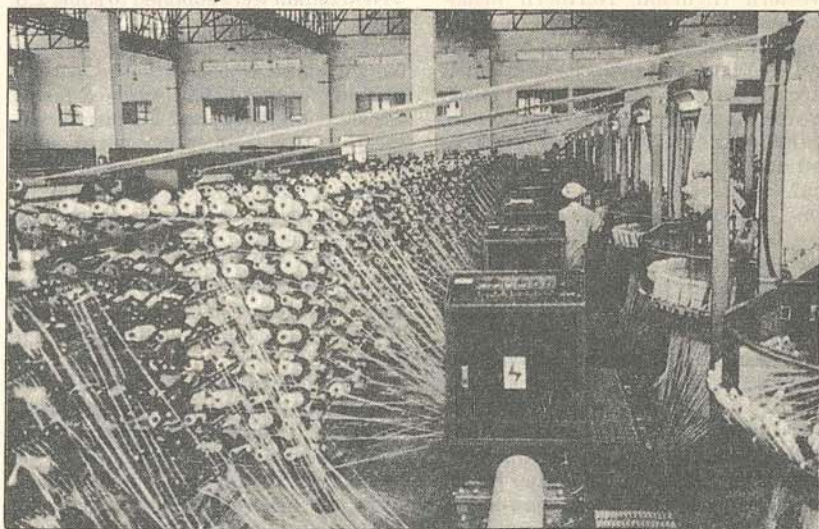
INDUSTRIALIZATION VIEWED FROM THE INTERPLAY BETWEEN PRODUCTIVE FORCES AND RELATIONS OF PRODUCTION

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distinguish a materialist from an idealist.

Based on the interplay between RP and PF, the theory of socio-economic formation is developed by Marx and Engels. This theory describes the development of history as a natural history process. This theory and his theory of surplus value have turned the utopian socialism into the scientific socialism and pointed out that the mission of the proletariat is to free PF from the capitalist order and to put them in the socialist order as the best environment for the development of PF and laborers' liberty as well.

At present, the industrialization and modernization, considered as a new stage of development of PF, must be viewed from the Marxist philosophy only, instead of from any economic thought. The history of human-



many other factors also affect this development tendency of the capitalist system:

- Super profits are transferred from Asian, African and Latin American colonies to principal capitalist countries.

- Techno-scientific revolution brings about both big profits for the capitalist and improvement of living standard for the proletariat.

- Moderate reforms and other manoeuvres performed by the capitalist lead to prolonged downward tendency in the worker movement.

- The growth of socialism in the Soviet Union before the World War II

and of the international socialist system after the World War II along with the struggle of democratic and progressive forces in main capitalist countries force the capitalist to reform their regime.

- Wars and the arms race constitute a great and direct stimulus for the techno-scientific progress.

Mixed affects of these factors have emphasized dynamic state of the interplay between RP and PF in the modern capitalism. It will be irrational to equate obsolete, negative and reactionary features of the modern capitalism with its role in production and distribution, and in industrialization and modernization. In other words, as long as efforts of the communist and worker movement aren't mature enough to establish the dictatorship of the proletariat all over the world, the approach to the socialism is based not only on realities of the building of socialism under the direction of communist government, but also on experience drawn from developments of the modern capitalism, as Lenin put it, the socialism is looking at us from all windows of the modern capitalism.

One of the most outstanding "windows" is the state capitalism (with the state monopolist capitalism as its highest stage) which is a product of the cooperation between the government (in the superstructure) and the capitalist class (in the infra-

structure) before the fast development of the industrialization at the beginning of this century. Lenin has showed his great power of reasoning when he considered this as "a step towards the socialism", "a waiting room for the socialism" or "the best preparation for the socialism", etc.

In the second half of the century, the humankind came to the latest stage of the techno-scientific revolution which was named by Alvin Toffler, the American futurist, as "the third civilization wave". He considered it as the latest civilization wave following the two previous ones: the thousand-year-old agriculture civili-

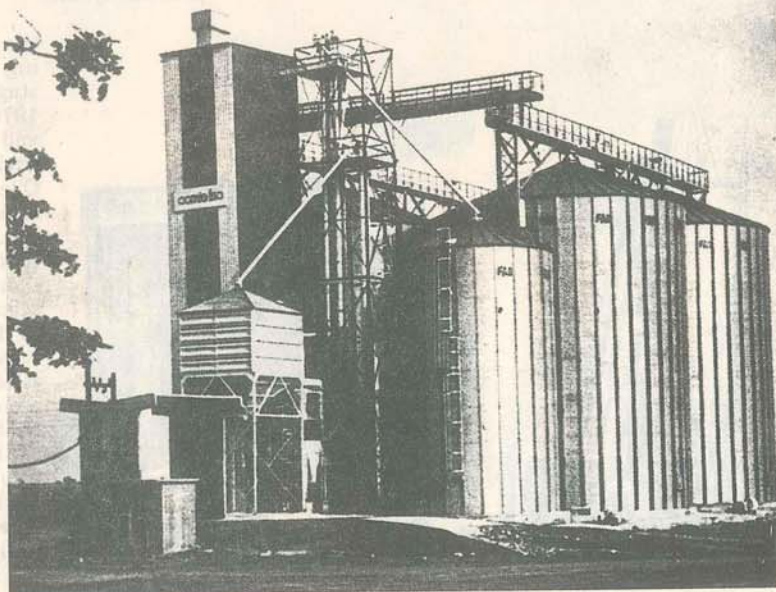
place in RP, distribution service and the superstructure. Million after million of workers and laborers became shareholders, although their shares couldn't stand comparison with those of big capitalists. Democratization of business and social management, expansion of social benefit system, economic globalization caused by operation of multinationals along with tendencies towards regionalization... All these facts demonstrated the activeness of the capitalist class in making their RP and exchange mechanism livelier and appropriate to further industrialization and modernization.

However, it will be very illusory

for us to make these reforms carried out by the capitalism so exaggerated that we think that capitalist RP and order are eternal values. In developed countries, the modernization process (in which the growth rate is the most typical indicator) seems stagnant, totally contrary to the increase in techno-scientific inventions in the period of information explosion. Day in, day out, billion of dollars are exchanged magically between banks all over the world through their computer system, but only some percent of this sum were put in production. Both natural and social environ-

ments became worse. These paradoxes among many others, are enough to show us the obsolescence of the modern capitalism. How about the situation in developing countries? Industrialization and modernization have given birth to Asian dragons. This fact is true but it's a particular case, and we didn't know when the Third World burdened with external debts, population explosion, racial and religious conflicts and capitalist regime, can become NICs.

So, generally, the capitalist, industrialization and modernization, because of their nature, have never come to socialism with strong government, wealthy people and civilized society. Moreover, the "democratic socialist" model and the like will never escape from the platform of capitalist parties. This model is in theoretical and political bankruptcy. In short, the capitalist industrialization and modernization can't be carried out lastingly and healthily within the



zation and two-hundred-year-old industry civilization. The third wave started in the US in the mid-1950s, spread to Europe in the mid-1970s and all over the world now.

In the 1970s, PF developed dramatically, two opposite political blocs are of equal power and the US imperialism experienced its largest failure since the World War II in Vietnam. These facts led to new tendencies and demands, new opportunities and challenges. This situation required all nations, regardless of their political regime and level of development, to adjust way of thinking and acting in order to survive and develop.

In this adjustment process, the modern capitalism seemed more sensible than the socialism. After a five-year period of structural crisis of which the oil crisis was only a direct cause, PF of the capitalism were adjusted quickly and strongly in the tendency to become more suitable to modern technology and new competition. A series of positive changes took

limitations posed by the private ownership, or the capitalist regime as a whole.

After the October Revolution, the world witnessed the socialist industrialization with all of its ups and downs under the direction of communist parties.

Putting aside the Wartime Communism model which came into effect in three-year period after the October Revolution and reached a crisis in 1921, the history of socialism has presented two industrialization processes with different methods of dealing with RP.

The first model was NEP introduced by Lenin in the 10th Congress of the Russian Communist Party in 1921. Facing obsolete and uneven PF, Lenin hasn't considered NEP as a temporary measure to deal with the crisis caused by war and Wartime Communist policy, but as a strategy which is central to the theory of non-capitalist transition to socialism, NEP was the best environment for developing PF and exchange mechanism in which the industrialization is the main part based on different ownership forms and different economic sectors (except for the paternalist sector which is too obsolete to be accepted).

Only NEP could ensure the correspondence between different relations of production with PF at that time. The main feature of this policy is that all personal interests were encouraged reasonably. NEP, unlike leftist communists who wanted to get rid of everything belonging to the past, was considered by Lenin as the best way to help the country pass its crises, recover and develop PF, improve the living standard and change the worker-farmer alliance from political-military field to economic field.

Within four years, the Soviet Union has passed its crisis, its GOELRO (All-Russia Electrification Program) with the cooperation of 200 capitalist experts has been completed and has been praised by Western press as the "Soviet miracle".

It's noteworthy that the concept of the state capitalism introduced by Lenin is one of the best contribution to the theory of non-capitalist transition period which has a timeless quality. The diversity and inevitability of the state capitalism as a bridge leading from manual production to socialism without passing the capitalist stage, have been justified persuasively by Lenin in over 50 articles and speeches. Lenin's thoughts on the state capitalism have helped communist governments apply the law of class struggle and materialist dialectics to the relation between RP and PF, between economic and political fields.

and other laws of the market economy.

Political reason was considered as of the most importance while material wealth and economic motive were secondary issues. The widespread public ownership which is strange to the conformity of RP with PF, has degenerated over time into the ownership of groups and gangs. The inflexible ownership regime and the non-market economy became obstacles to the effort to innovate management and distribution mechanism. Vested interest developed from a "negative phenomenon" into a mafia-like force attacking to the existing political system.

In such a model, the process of changing from economic stagnation in the 1970s to pre-crisis, and collapse isn't difficult to understand. One of unhappy consequences of this process is the fact that 70% of inventions made by Soviet scientists were sold to foreign countries instead of being applied to the domestic economy. The industrialization, instead of being developed into the modernization, has been hindered over a decade before the collapse of the socialist bloc, by the theory of socialist industrialization paying no attention to the interplay between RP and PF.

The industrialization with socialist orientation taking place in Vietnam and China recently, in fact, is a return to the NEP model in the modern time. And we have got one more example of the law on the negation of negation from the 80-year history of socialist bloc.

The danger of falling farther behind other countries warned by the VCP forces us to carry out the industrialization and modernization based on reasonable structures of ownership, economic sectors and social classes. The superstructure must be also changed in this tendency.

Progress made in the past decade is only the first stage. We have to make the best use of existing opportunities and overcome all challenges in order to industrialize and modernize the economy successfully■



Tragedies in the socialist countries after NEP showed that Lenin's death which led to the revocation of NEP after 1928 was an irreparable loss. Many researchers think that if Lenin and NEP had existed for some years longer, the development of socialism would have been smoother, more effective and humanistic.

After NEP, the collectivization and industrialization according to the state socialism under Stalin rule have been carried out rudely on such false grounds as: the appearance of fascism, the much-needed victory over the fascism and the need for establishing Soviet Union as a super power...

In fact, the collectivization and industrialization in that period in Russia, and in the socialist bloc as well, have paid no attention to objective economic laws, first of all, the law of the conformity of RP with PF,