

War Communism of USSR

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After the Bolshevik revolution of 1917, a socialist government took over in Russia under the leadership of V I Lenin. Soon a civil war broke out in 1918 which lasted till 1921. The economic policies followed by Lenin government during the civil war period (1918-21) is known as war communism. The aim of this economic policy was to keep the resources of the nation centralised with a view to strengthen state control .

Main features of War Communism

- 1 Forced requisition of agricultural surplus-The government forced the peasants to part with agricultural surplus. The grains thus acquired were stocked for centralised distribution among the remaining population.
- 2 Nationalisation of industries -Lenin's government nationalised the major industries and introduced strict centralised management of industries.
3. All pervasive state control-The state controlled foreign trade, banking and railways, as it believed in social ownership of productive resources.
- 4 High duty on foreign goods-In order to generate trade surplus the government imposed heavy duty on imports.
- 5 Discouragement of foreign capital-The government discouraged the inflow of foreign capital as it came from capitalist countries.
- 6 Stringent labour laws -During war communism ,very strict labour laws were imposed and strikes were prohibited.
- 7 Expropriation of private enterprises-The government did not want private sector to grow and took over many private enterprises.

Reasons for the failure of War Communism

War communism badly derailed the economy. There was widespread opposition to forced collection of foodgrains from farms. The measures taken during War Communism adversely affected agricultural and industrial production. There was no incentive for farmers to grow more food as the surplus would be forcibly confiscated by the state authorities. Agricultural production plummeted. The city dwellers were threatened with starvation.

A large and untrained bureaucracy was hastily created to supervise the newly centralised, state-owned economy.

Industrial production dropped to one fifth of the prewar levels and wages of industrial workers were down by two thirds of its 1913 levels.

Inflation surged to very high levels and the Russian currency became worthless.

Government had to resort to centralised distribution of goods without the use of money.

Discontent with state policies spread from rural to urban areas. Industrial workers were unhappy with the stringent labour laws. There were big industrial strikes .

The above developments forced Lenin to abandon the policy of war communism .

Lenin had to bring a new economic policy (NEP) with some elements of free market economy to bring the Russian economy back on track.