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## Late Soviet Britain: how British politics is mirroring the failings of Soviet socialism

Published 23 January 2024



**Dr Abby Innes**, Associate Professor in Political Economy, European Institute, LSE

British politics today, and particularly Conservative politics, is repeating the mistakes of Soviet socialism, despite appearing its ideological opposite, argues **Abby Innes** in her new book.

Dr Abby Innes, Associate Professor of Political Economy in the European Institute at LSE, is introducing her new book, [Late Soviet Britain: why materialist utopias fail](#), which gives a systematic account of these developments to explore what has happened to British politics today.

The title of *Late Soviet Britain* may seem “strange and counterintuitive”, she admits. “The Cold War and its aftermath taught us that Soviet socialism and neoliberalism (or Thatcherism in the British context) are absolute ideological opposites, and who could disagree: the everyday political values of these doctrines could not have been further apart. Ask how they understand the nature of political economic reality, however, and this dichotomy proves false.”

On closer inspection, she argues, “both Soviet and neoliberal doctrines are based on closed-system reasoning about the political economy. They are built on purely logical arguments from utopian assumptions - [axiomatic deduction](#) - rather than on arguments from observation and reasoned analysis - or hypothetical deduction, more commonly known as the scientific method.”



Unfortunately for us, both Soviet and neoliberal doctrines are utopian political philosophies dressed up as science. ”

While neoliberal policies have been based on neoclassical theories and early Soviet economics on Marxist-Leninist sociology, “both assert that there are predetermined laws of the economy that each doctrine alone can apprehend. Furthermore, both schemes require the the operation of a universal and consistent rationality, albeit a rationality of opposing forms - a constant fraternity (Society) versus a constantly rational self-interest (neoliberalism).”

As Dr Innes explains, once the Soviet system moved to central planning, under Stalin, the two materialist utopias became more exact opposites, with each claiming to uphold the efficient mechanism of economic coordination - the supposedly efficient central plan versus the supposedly efficient price mechanism of an increasingly “free” market. “Unfortunately for us,” continues Dr Innes, “both Soviet and neoliberal doctrines are utopian political philosophies dressed up as science.”

### **Soviet and neoliberal mirroring: adhering to a mathematically incoherent theory**

As one example of this mirroring, Late Soviet Britain discusses how both Soviet and neoliberal economics place utopian faith in [“allocative efficiency”](#) within their respective machine-like models of the economy, as a way of ensuring that we have the resources to meet all of society’s needs. “The neoclassical theory of general equilibrium, which argues that the price mechanism should enable economic supply and demand to be precisely matched, is thus the mirror image of the Soviet search for the “balanced plan”.

However, since the proof of general equilibrium requires wholly utopian assumptions, for example that “all economic agents hold perfect information about all past, present and future prices”, neoclassical theorists had concluded by the 1970s that the theory was not just impossible to realise in practice but also mathematically incoherent in itself as soon as an iota of complexity is entered into the models. “And yet, despite this, neoliberal political parties would go on to promise, “against both historical evidence and theoretical possibility, that as the state is withdrawn, a presumptively competitive market would ensure an ever greater economic harmony. Moreover, that underlying assumption is in the small print of practically every neoliberal policy, from tax competition, to deregulation, to benefit cuts,” Dr Innes observes.

The view of “bureaucracy” shared by Soviet socialism and neoliberalism provides another mirror image, the book explains. The rise of [“public choice theory”](#) - the application of neoclassical economic reasoning to political institutions - in Britain has led to devastating but empirically unfounded claims about how the “monopoly” bureaucracy in the liberal democratic state is made up of “bureaucrats” who will endlessly expand their budgets and authority, “at the creeping expense of the private sector and ultimately, then, of freedom.”



## The most dangerous example of the impact of utopian thinking is the UK's approach to climate policy. ”

As Dr Innes points out, however, “this insistence that ‘the bureaucracy’ is the real seat of power that thwarts ‘true liberty’ is, inevitably, the exact mirror of the Leninist argument about bureaucracy as the stronghold of bourgeois class interest.” It follows that it was not just the former Conservative Prime Minister Margaret Thatcher who declared “a man’s right to have the state as servant, not as master” but the socialist theorist Friedrich Engels too, who had railed “against the transformation of the state... from servants of society into masters of society”, thus to be quoted by Lenin in his key work, *The State and Revolution*.

As Dr Innes argues, the great irony of the mirroring of these materialist utopias is that their dependence on deterministic, closed-system forms of economic reasoning leads them to coverage on the same forms of statecraft. We can see this in the rise of “New Public Management” and the neoliberal support for public sector outsourcing and privatisation. Despite its market rhetoric, “the neoliberal state has simply become a giant of centralised enterprise planning and procurement”. So, in the case of outsourcing, “when you strip away the language of markets, the practice of outsourcing is that of private enterprise management by the central state through contracts, and the effective recreation of Soviet enterprise planning failures, only now in capitalist form”.

It is consequently only when we see the kindship with Soviet economics that we can begin to understand the “emergence of informal state-corporate relationships throughout the (British) state that are immensely vulnerable to corruption - exactly as they were in the USSR”.

### **Academy schools and the climate: Soviet pathologies in capitalist form**

“Turn to any major policy reform of the last 40 years and you will find the steady development of Soviet pathologies in capitalist form,” Dr Innes argues, offering Academy Schools as another illustrative case.

Academy schools were initially introduced under New Labour, before being rapidly expanded by the Coalition government under then Education Secretary, Conservative MP Michael Gove.

Supporters of academy schools have argued for the benefit of publicly funded but privately provided welfare services under the neoclassical assumption that this would produce a healthy competition between schools for parental choice. For Dr Innes, this overlooks “the real consequences for education policy, when the state becomes a disempowered and yet still financially liable planner of outsourced educational enterprises that are now governed through private contract, not with those parents, but with the state.”

Over time the academy school system has therefore come to represent “the worst of public and private regimes”, characterised by “informational fragmentation, the gaming of targets, a really severe loss of public accountability and financial corruption - all reminiscent of Soviet enterprise failures.”

The most dangerous example of this utopian thinking, however, can be found in the UK’s approach to climate policy, Dr Innes argues. Successive UK governments have treated climate risk as “something that can be calculated, modelled and hence integrated and managed within market mechanisms by essentially rational market actors”. This illusion of control over ecological systems “drives us away from the strategic long-term thinking and precautionary principles that a more reasoning society would adopt”.



[I fear] our party political system is going to prove completely unable to find a renewed social purpose that stems from the actual conditions in which people live. ”

### Utopia dressed up as science

In conclusion, as Dr Innes points out, the most important distinction between these two systems was that one was imposed through a totalitarian use of violence, the other through free and fair elections in an open society. But, as Dr Innes argues, the neoliberal dependence on closed-system reasoning brings with it a latent authoritarianism, as the more the neoliberal system fails in the terms by which it was justified, the more that the Conservative government, still committed to it, resorts to more authoritarian means to sustain the economic regime. And, as in the late Soviet system, British neoliberalism by now is also characterised by strong vested interests who wish to perpetuate it, despite its dismal economic performance for the wider society.

As Dr Innes concludes, it is the great historical strength of liberal democracies that they are open political systems and able to adapt and learn - “but only, it seems, so long as its political parties remain free of utopian dogma”. The adoption of neoclassical economics in the late 1970s meant that the “utopian assumptions were given the credibility of supposedly unchanging natural laws and the real electoral choices around the political economy were not just narrowed but attached to promises that could never be realised in practice.”

This, she argues, is as true for a Blairite Labour Party that believes that by mending “market failures” the economy moves closer to the efficient market of neoclassical promise, as it is for the more ardent free marketeers of the Conservative Party.

“Unfortunately for us, both Soviet and neoliberal doctrines are utopian political philosophies dressed up as science,” observes Dr Innes. In applying their utopian assumptions, “you are doomed to produce a rising tide of unanticipated social and



economic consequences and new institutional dynamics that bear practically no resemblance to those of ideological promise.”

## Rejecting a blueprint for government

As the practical policy failures of the neoliberal regime have deepened over time, Dr Innes argues that the distinction between Soviet oppression and British democracy is being eroded, with the Conservative Party now embracing the same survival strategies as those of late Soviet regimes, which increasingly mobilised nationalism, racism and the use of invented realities “to deflect from the real effects of policy and, after 2016, the effects of its most utopian expression: namely Brexit”.

As the legitimacy of the neoliberal project drains away, Dr Innes argues that British democracy faces the real risk that, so long as Britain’s political parties remain committed to more or less pure versions of neoliberal reasoning the more the country as a whole must “suffer necessarily conspiracy-mongering and increasingly absurdist narratives, also characteristic of the late Soviet era.”

As a result, we suggest that Britain today “stands at a really critical juncture with highly uncertain outcomes”. What Late Soviet Britain ultimately argues is that “it is simply not humanly possible to discern a governing social science, a blueprint for government that would be good for all times and places.” Instead, Dr Innes states, our political thinking needs to reintegrate “the very basic existence of time, technological change, cooperation, culture, empathy, uncertainty, ethics and, best of all, imagination.” Without this, Dr Innes fears, “our party-political system is going to prove completely unable to find a renewed social purpose that stems from the actual conditions in which people live.”

Even more fatally, Dr Innes concludes, the utopian assumptions of “both Soviet and Thatcherite economics promised a political blueprint that was correct to the end of time. But in the midst of a deepening ecological emergency, the perpetuation of those fantasies can only hasten the end of actual human history, for all time, for real.” ■

This LSE Research Showcase was written up by Rosemary Deller, Knowledge Exchange Support Manager at LSE.

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**Late Soviet Britain: why materialist utopias fail** by Abby Innes is published by Cambridge University Press. Read an excerpt on the LSE Review of Books.

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