

Springer Studies in the History of Economic Thought

Vladimir Avtonomov
Harald Hagemann *Editors*

Russian and Western Economic Thought

Mutual Influences and Transfer of Ideas

 Springer

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Editors

Russian and Western Economic Thought

Mutual Influences and Transfer of Ideas

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Preface

The idea of this book originated in 2017 in Rome where a round table about European economic thought was organized by Antonio Magliulo. One of us (Vladimir) was invited to deliver a paper on relations between Russian and European economic thought. This was the beginning. Well, relations of Italian or Polish economic thought with European one are the relations between the part and the whole. The relations between Chinese economic thought and the European one are the relations between two very different entities. However, Russia as a Eurasian country with European culture and great historical and mental characteristics occupies a very special place. Its relations to Europe and the West on the whole are controversial and complex. Therefore, the parallel development of Russian and Western economic thought looks to be an object worth investigating.

The discussions on this exciting topic mounted in the proposal for a special issue of the *Russian Journal of Economics (RUJE)*. This plan was finally realized. The articles by Vladimir Avtonomov (general introduction and a paper on Storch and Chernyshevsky), Harald Hagemann (on Leontief), Natalia Makasheva (on Kondratiev), Francois Allisson (on Tugan-Baranovsky) and Denis Melnik (on Lenin) were published in RUJE 2021 Vol. 7, Issue 1, and served as the basis for the corresponding chapters of this volume. We express our sincere gratitude to the editors of RUJE for granting permission to include these articles. In the meantime, we started to think about expanding our scope and inviting experts from Russia and from the West to contribute to a wider book project. The response, with additional fourteen chapters, surpassed our expectations. It wasn't easy to foresee that such a big group of well-known and very busy scholars would agree to our plan and write papers on Russian economists who played an important role in the relations between Western and Russian economic thought. Moreover, they did the cross-refereeing of the chapters and helped their colleagues with valuable comments and corrections. We would like to thank all our authors for their involvement in the project, but, probably, Andrey Belykh, who reviewed several chapters, deserves a special gratitude.

The order in which the economists of Russian origin appear in this volume follows their dates of birth. There is one exception: Leonid Kantorovich was in fact older

than Evsey Domar, but we chose to finish our succession with him, because he was the only one whose biography was wholly connected with the Soviet Union.

Another special problem connected with Russia is the English spelling of Russian names. There don't exist any universal rules even in dictionaries and encyclopedias, so after long deliberation we decided to make our own list following established traditions and our taste.

Moscow, Russia
Stuttgart, Germany

Vladimir Avtonomov
Harald Hagemann

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The Transfer of Economic Ideas Between Russia and the West: An Introduction



Vladimir Avtonomov

1 General Historical Relations of Russia and the West: A Brief Summary

The general relations between the West and Russia have been a fundamental question of self-identification for Russian society since long ago. We cannot touch this controversial issue but very superficially.¹ It reflects the general situation of Russia as a country with significant specificity determined by its history and geography. The opposition between Russia and Europe was based on ecclesiastical matters since the Kievan Russia adopted the Eastern Orthodox Christianity in the end of X century. Eastern Russian principalities, where Moscow gradually became the political center, were under Tartar rule between the middle of the XIII and the end of the XV century which further contributed to enlarging the distance from Western Europe. Since then, the process of interaction involved a sequence of modernizing reforms which involved imitation of Western practices (under Peter I, Alexander II, the Bolsheviks, Perestroika) and following counter-reforms aiming at preserving and stabilizing the autocratic political regime. It could be stated that the general principle guiding the Russian position toward the West was the pragmatic borrowing and imitation of instrumental and technical knowledge and skills (mostly, but not exclusively for military purposes) combined with opposition to Western political and spiritual influence.

¹ Among innumerable sources we can mention: Billington (1966), Hedlund (2003) and Pipes (1995).

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Russian, Soviet and Post-Soviet Russian rulers never believed in the interrelation of the technical and spiritual sides of Western civilization.

The main question can be stated as follows: do Europe and Russia take the same road of progress with Europe far ahead and Russia lagging behind, or do they belong to different civilizations with different trajectories² (possibly, with Russia having some advantages of the spiritual kind).

2 The Interrelations of Western and Russian Economic Thought as a Controversial Issue

In Russia, we can distinguish two “extreme” positions regarding the relation between Russian and European economic thought:

The first one considers Russian thought as permanently lagging European one, adopting and distorting European ideas. This position was expressed by Vladimir Svyatlovsky in the first history of Russian economic thought (Svyatlovsky 1923) and Jack Normano,³ who published his history in the USA. (Normano 1945)

These authors analyzed foreign influences on Russian thought distinguishing phases of English, French, and German influence. The unilateral transfer of ideas between the West and Russia was possible because the ruling and intellectual elites of Russia traditionally spoke and understood foreign languages (mostly French and German) and often were educated in foreign (German) universities. This situation existed since the end of XVIII century till the 1920s.

The representatives of the second position insisted on specific features of the so-called Russian school of economic thought from Posochkov till Tugan-Baranovsky (even Lenin was sometimes included!) which were characterized by ethical approach and non-individualist methodology (Abalkin 2000). This specificity was considered as an important advantage of Russian thought in relation to Western one which kept economic and moral issues apart.

In fact, there also existed the third position which somehow combined the two mentioned above. In the post-war period, Soviet historians of economic thought mostly acknowledged the existence of a single economic science world but underlined the superiority of Russian thought whenever it seemed possible. This approach related to the “campaign against cosmopolitanism” conducted by Stalin in 1947–1953 and was directed at denouncing all Western influences and extolling Russian thinkers (a popular joke succinctly summarized this tendency: “Russia is the homeland of elephants”). We could notice this tendency in the three volumes of “History of Russian Economic Thought” edited by Pashkov (1955–1966).

² The most ambitious attempt to establish this point of view was probably Danilevsky’s book where he included Russians with other Slavic people in a separate cultural-historic type which allegedly was going to be realized soon. See Danilevsky ([1869] 2016).

³ Isaac Ilyich Levin (1887–1945) published his works under this name after his emigration from Russia.

We should specially mention two works in this field which appeared in the 1940s: the books by Blyumin (1940) and Shtein (1948). For both authors, Russian economic thought was the secondary source of inspiration: Blyumin was the best Russian historian and critic of Western marginalist theory, and Shtein was known as sinologist and historian of Chinese thought. Both were severely reprimanded for “objectivism” and lack of Marxism. Shtein even had to blame Blyumin for declaring Russian political economy of the first half of XIX century a “foreign science imported from the West” (Shtein 1948, p. 5). Unlike his predecessor, Shtein published his essays during the campaign against cosmopolitanism and had to unite Marxism and Russian nationalism. But under these severe circumstances, both authors managed to write the works based on genuine research which paved the way for later historians of Russian economic thought who had more freedom in their investigations. One of them was Anikin (1990) who underlined the fact that economic science could not be advanced in such countries as Russia with lagging economic development.

The general trend in Western histories of Russian economic thought was to underline Western influences which were received in Russia “in a peculiar distorted form” (Barnett 2004, p. 22). Among modern Western histories of Russian economic thought which correspond to this thesis (with which we agree completely), we can name Zweynert’s and Barnett’s books (Barnett 2004; Zweynert 2002). But, Western authors mostly have not dealt with the feedback influence of Russian economists on Western thought. There are several rare exclusions (Barnett 2011; Beckmann 2005; Chipman and Lenfant 2002; Janssen 2004).

Our position can be briefly described as follows (Avtonomov 2021). There is a certain scheme of interrelations between Russian and Western economists. In this scheme, economic ideas usually come to Russia from the West. Then, they are modified (often very significantly) according to specific Russian circumstances. After that, sometimes a certain feedback occurs—the modified ideas in their turn influence some Western economists of next generations. We must, however, underline that this type of interrelations was not predominant: the last stage (feedback) occurred not very frequently.

3 The Factors Causing Modification of Western Theories by Russian Economists

Among these factors, we can mention moral and religious factors, the peasant question, the influence of Marxism, development of mathematics and statistics in Russia in 1890s–1920s, the unique experience of designing, and building a planned economy in the post-revolutionary Russia. The factors belonging to this heterogeneous set (certainly, it is not the whole list) are not independent of each other. For example, the first two ones are obviously connected, as far as the XIX century is concerned. The attention of Russian economists to peasant question related to the negative moral attitude of large circles of Russian society to serfdom. An important reason why

Marxism became particularly influential in Russia in the end of XIX and the beginning of XX century was the high degree of social tension in the country after non-consistent peasant reforms. Political sympathies of our heroes were predominantly with socialist movement of their times. Probably, only Brutzkus, who did not find his well-deserved place in our volume only because we could not find an author in time required, displayed the liberal position.

The last two factors may also have something in common. The approaches to building a planned economy were prepared by experience in mathematics and natural sciences among leading Bolsheviks like Bogdanov and Bazarov (see *Elizaveta Burina's* chapter). Dealing with the heroes of this volume, we shall very often encounter the combination of socialism and high-brow mathematics.

This long-time characteristic is also reflected in game theory modeling during the Cold War period which created a positive environment for game theory in the Soviet Union as well as in the West. A comparison of similarities and differences reveals that there was a lagged evolution of game theory in the Soviet Union, which focused more on operations research and issues of centralized planning. However, due to the works of Nikolay Vorob'ev, Leon A. Petrosyan, Elena B. Yanovskaya, and Olga N. Bondareva on dynamic stability, non-emptiness of the core, and many refinements, game theory in the Soviet Union was able to catch up to the Western level quickly (Hagemann et al. 2016). This has also been shown at the famous conference in Vilnius 1971 which fostered interaction between Soviet game theorists and Western colleagues such as Oskar Morgenstern.

3.1 Moral/Religious Factors

Following Zen'kovsky ([1948] 2001), Zweynert enumerated the following elements of Russian patriotic legacy important for shaping Russian economic thought (Zweynert 2002, pp. 31–35):

1. Essentialist-organic holism (unity of faith and thinking, unity of individual and society, unity of the state and the church).
2. Anthropocentrism—emphasis on social questions and moral norms.
3. Mystical realism which means the emphasis on spiritual, non-material world.

These factors refer to the orthodox worldview influencing Russian philosophy, and their relation to economic thought is indirect. We can also see some contradictions between them: emphasis on social questions is hardly compatible with the emphasis on non-material world. However, a public worldview (and even an individual one) is not necessarily consequent, and the above-mentioned features were present in Russian economic ideas which were often intertwined with religious and philosophical ones.

As an example of the influence of such factors, we can mention a man who is considered to be the first Russian economist, Ivan Pososhkov (1652–1726). Pososhkov lived under Peter the Great and wanted to influence the Czar's policy

by a confidential note (Pososhkov [1724] 2004). His views could be classified as mercantilist, and he advised the Czar how to find means for financing the army, the navy, and the building of St. Petersburg. Pososhkov was not acquainted with European economic thought of his time. Neither did he exert any influence on foreign economists. So, we cannot count him as an example of our pattern. But, his ideas were a pure case of the first factor of Russian specificity—a special stress on spiritual and religious factors. Pososhkov’s pamphlet had strong religious overtones.⁴ Probably, he was the first Russian economist who mentioned the “veritable truth” as a non-tangible wealth (Shirokorad 2008, p. 28)—a recurrent topic in Russian economic thought though Pososhkov’s book was not known to Russian economists till much later times. Pososhkov was even in principle against competition on moral grounds. He insisted that the prices of goods should be kept uniform to avoid disorders connected with competition.

von Storch’s conception of inner goods (Storch 1815), which is dealt with in *Vladimir Avtonomov’s* chapter, could also be associated with these moral-spiritual trend in Russian economic thought.

Other much later examples of moral and religious bend of Russian economists can be found in the works of former Marxists Tugan-Baranovsky (see *Francois Allisson’s* chapter) and Bulgakov.⁵ Tugan-Baranovsky believed that Marxism should be grounded on Kantian ethics (Tugan-Baranovsky 1909). He founded the labor theory of costs on the basis that only human efforts are counted by human beings. But, the most radical turn from Marxism to idealism and religious ethics was undertaken by Bulgakov (1903). It is strange that his “Philosophy of economy” (Bulgakov [1912] 2009) was considered a doctoral dissertation in political economy because it was a totally theological text setting a goal of personal and spiritual progress and fighting with “economism”. Bulgakov’s works were apparently too exotic and orthodox to influence Western thought.

Around the turn of the centuries, Leo Tolstoy became the leading moral authority in Russia, though the official Orthodox church condemned his ideas. His influence in the country was considered to be equal to the Czar’s. No surprise that among our heroes, we can find followers of the great writer and moralist (e.g., George Charasoff).

3.2 *The Peasant Question*

No wonder that among the main factors influencing Russian economic thought the special importance of the peasant question and slavery was one of the most long-lived. The serfdom in Russia was abolished much later than in other European countries, and the “peasant question” remained to be a burning issue for many decades. Nikolay Chernyshevsky’s works on Russian *obshina* apparently influenced Marx’s position on the possibility of reaching socialism without the preceding capitalist stage (see

⁴ Pososhkov also composed special pamphlets devoted to purely religious topics.

⁵ See also Makasheva (2008).

Vladimir Avtonomov's chapter). But, this specificity apparently did not produce any feedback on Western economic thought probably apart from Chayanov (1989) who used marginalist logic (presumably of Auspitz and Lieben) to build a theory of the peasant's household (see Carol Leonard's chapter). The peasant question reappeared on stage after the October Revolution of 1917 when the leading Bolsheviks argued over the best way to build socialism in the agrarian country. The great industrialization debate between the "rightist" Bukharin supporting a gradualist policy with voluntary cooperation of peasants and the "leftist" Preobrazhensky arguing for the "primitive socialist accumulation" redistributing resources from agriculture to industry by means of centralized policy had a long-term influence on Russian economists. The "leftist opposition" was eliminated before the "rightist" one, but Preobrazhensky's position was eventually taken by Stalin in 1929 when he implemented the policy of forced collectivization.⁶

We can follow the influence of this debate in several chapters of our book. Several economists who stayed in Russia (among them Chayanov and Kondratiev) lost their lives presumably as supporters of Bukharin's line. But among Russian émigré economists, we can see a somewhat surprisingly big number of those who were influenced by the "hardliner" Preobrazhensky's arguments (see John King's chapter on Baran and Mauro Boianovsky's chapter on Domar).⁷ The reasons for that seem to consist in a more schematic style of Preobrazhensky's reasoning which was compatible with economic modeling and inspired several models of development economics. On the contrary, Bukharin's position had a humanistic appeal and was closer to those economists who had sympathy with the peasants (Chayanov, Kondratiev). However, when centralized development strategies lost their attractiveness over the whole World (1960s–1980s), Chayanov was rediscovered in the West.⁸

3.3 *Marxism and Socialism in Russia*

Marx's influence on Russian economic thought was indeed enormous. The first volume of *Capital* was translated into Russian by Lopatin and Danielsson in 1872, and it was the first translation of this book in any foreign language. But even before that (in 1871), Nikolay Sieber (1844–1888) defended his master thesis at Kiev University which was partly devoted to the economic theory of Marx (as reflected in the first volume of *Capital*) (Sieber 1871). The thesis, where Sieber analyzed Marx's theory of value and capital as the continuation of Ricardian one, was sent by Danielsson to Marx and highly praised by the latter. Sieber's works played an important role in spreading Marx's political economy in Russia in 1870s and influenced different circles of Russian intellectuals (Raskov 2018; Shirokorad 2018). One of the reasons

⁶ A very concise but precise summary of this controversy can be found in Barnett (2004, pp. 79–81).

⁷ See also, Ellman (1987).

⁸ On Chayanov see also Coleman and Taitlin (2008) and Schefold (2017).

of subsequent enthusiastic adoption of Marxism in Russia was its appearance as a strict scientific theory on the background of amateur discussions between Russian populists and liberals. “The fact that Marxism took root among the Russian intelligentsia was evidence of a further Europeanization of Russia and of her readiness to share to the end the destiny of Europe” (Berdyayev 1940, 1951, pp. 117 f.). In the debate on possibility and inevitability of capitalism in Russia, in which the “populists” (narodniki)—Danielsson, Vorontsov—insisted on its impossibility and were countered by Liberals and Marxists (Plekhanov, Struve, Lenin), who were convinced that capitalism was already there, both sides appealed to Marx for approval.

On the next stage, the dividing lines were drawn among Marxists themselves. The evolution of Marxism in Russia led not to pragmatic revisionism and reformism as in Western European countries but to radical bolshevism (Leninism) as one extreme and to idealism and even religious mysticism as the other (see above). The first direction certainly found followers in the West after the victory of October revolution. The works of Lenin as a researcher-economist which emerged during relatively short periods in his active political life are dealt with in *Denis Melnik's* chapter. The other line, the so-called legal Marxists is represented in our volume by Tugan-Baranovsky and Struve (see *Francois Allisson's* and *Nikolay Nenovsky's/Guenther Chaloupek's* chapters) who did not accept Marxism fully and completely and revised it in different directions. Their opposition to Marxist economics was to a large extent methodological and ethical. However, their influence on Western thought was connected mostly with Tugan-Baranovsky's theory of business cycles and not with methodological and ethical considerations. Another epistemological modification of Marxism along the positivist lines under the influence of Mach and Avenarius was undertaken by Alexander Bogdanov who became a kind of predecessor of the systems theory. Here, we can speak about our West-Russia-West scheme in the realm of philosophy rather than in economics. But, Bogdanov's tektology later inspired Vladimir Bazarov's economic analysis of the recovery process of the Soviet economy (see the chapter by *Elizaveta Burina*).

Russian mathematical economists: Dmitriev, Bortkiewicz, Charasoff contributed to the discussion of the so-called transformation problem dealing with the alleged contradiction between the First and the Third volume of Marx's *Capital*. Partly correcting and partly rescuing Marx's approach, they could be considered as forerunners of Sraffianism.

We would like to mention that important feedback from Russian to Western economic thought was caused by the fact that Marx treated the capitalist economic system as a transitory one and analyzed its weak points more deeply than other theorists. For example, we should underline the importance of Marx's attitude toward business cycles as an endemic and fundamental phenomenon of the capitalist economy which deserved a detailed treatment. It inspired the work of Tugan-Baranovsky (his influential contributions to business cycles research and exposition of theoretical foundations of Marxism are analyzed in *Francois Allisson's* chapter), Bounyatyan, and later the long cycles theory of Kondratiev and Pervushin.

Apart from being Marxists in theory, several Russian economists were active socialists in politics: Bolsheviks (Bogdanov, Bazarov), Mensheviks (Marschak), or

Social Revolutionaries (Kondratiev) who played an important role in political life in Russia after the 1917 revolution and/or were engaged in dealing with social problems in the countries of their emigration.

Other former Marxists participated in political activity not as socialists: Struve in the Provisional government and Tugan-Baranovsky as the Finance Minister of Ukraine.

Probably, only Baran carried on his work along Marxian lines and developed with Sweezy a new Marxian economic theory of XX century (*Monopoly Capital* 1966).

3.4 *Mathematics and Statistics in Russia*

One of the factors, which influenced Russian modification of economic thought and its following spreading in the West, was achievements of Russians in the fields of mathematics (especially, probability theory) and statistics (Belykh 2016; Barnett 2011, pp. 52–55). The reasons, why they occurred in the end of XIX—the beginning of the XX century need not occupy us here.⁹ But, their impact on economic theory was undebatable. Some Russian economists took to the heart the logical-mathematical Lausanne tradition, while the Austrian version of Marginalism was relatively more popular in this country. The succession Dmitriev-Borkiewicz-Charasoff (see the chapters by *Christian Gehrke* and *Heinz Kurz*) is very important from our point of view. Vladimir Dmitriev can be considered as the founder of Russian mathematical economics based on the Ricardian system, Marx's theory, Cournot's analysis, and Walrasian general equilibrium theory. Borkiewicz, influenced by Dmitriev, carried this line of thinking further in Germany and served as a bridge between Russian and Western mathematical economists (cf. his collaboration with Walras and his activity in Berlin where Marschak and Leontieff were among his students). Not surprisingly, Borkiewicz got acknowledgment in the West pretty soon, whereas Dmitriev did not until the 1960s. Only then, his work was recognized as a predecessor of Sraffianism and monopolistic competition theory of Chamberlin. We must mention that the influence of Dmitriev and Borkiewicz was spread among leading Russian theoretical economists. For example, Chayanov opens his principal theoretical work with gratitude to Dmitriev, Zhelesnov, and Pervushin for their advice and especially to Borkiewicz for indispensable mathematical guidance (Chayanov 1989, p. 70).

The interplay of Marxist and Walrasian approach could be really traced in the history of Russian economic-mathematical thought, but there were very important examples of non-Marxian mathematical economists. The most outstanding one, judging by his present popularity, was Slutsky who did not need any metaphysical foundations like Marxism or hedonism. Slutsky carried on the objectivized Paretian approach to marginal utility theory and developed it in a mathematical way (Slutsky

⁹ One of them could be the introduction of Latin and Greek enforced by reactionary Ministry of Education under Alexander II and Alexander III. Mathematics was also promoted for being abstract enough and so far from political issues.

equation) which retained sound economic sense. His second masterpiece on summation of random causes as the foundation of cyclical processes was grounded on the entirely different branch of mathematics which showed him as one of greatest polymaths in the history of economics (see *Jean-Sebasti  n Lenfant's* chapter).

Statistics was developing in Russia at high speed after the Great Reforms which delegated health care, school education, and data gathering to local municipalities ("zemstvo"). In that context, one should not forget the external influence of the German Younger Historical School with its emphasis on gathering and processing statistical data (Zweynert 2002, p. 259). Russian professors, who got their education in Germany under followers of Schmoller, transmitted their knowledge to their Russian students (like Fomin and Levitsky lecturing to Kuznets in Kharkov—see *Moshe Syrquin's* chapter on Kuznets). This was not a general rule—Marschak's teacher of statistics in Kiev was Slutsky with no connections to Schmoller and his followers. However, this statistical background suited well for studies of business cycles and long-term economic growth.

Probably, the main form of Russian impact on Western mainstream economics was provided through the emigration of Russian mathematical economists to the West (Barnett 2008). Their typical life-trajectory often went from revolutionary and post-revolutionary Russia to Germany and then further to the USA. According to Frey and Pommerehne (1988, p. 103), who based their calculations on Blaug and Sturgis's *Who's Who in Economics* (1983), the Soviet Union lost twenty-four of its thirty-six most outstanding economists through emigration. Together with the   migr  s from Nazi Germany and the successor states of the Danube monarchy, the USA, on the other hand, gained 161 outstanding economists through immigration, which accounts for about thirty percent of those economists born in the USA.

In Germany, which before World War I was dominated by the Younger Historical school, Russian influence contributed to the development of rigorous economic theory (Janssen 2004). Among Russian   migr   economists were experts in mathematical economics and statistics who got recognition in the West: Marschak, Kuznets, Leontieff, and others. They emigrated from Russia as young men and made their principal contributions in the West, but their education in Russian universities apparently was a good background. Marschak was the central figure in this process due both to his scientific works and impressing organizational activities. His work in the Econometrics Society and the Cowles Commission (see *Robert Dimand's* and *Harald Hagemann's* chapter) played the central role in reorienting economic theory and influencing the subsequent development of economics in the whole world. Nobel Prize winners Kuznets and Leontieff made lasting contributions to statistical methods of economic theory (see chapters by *Moshe Syrquin* and *Harald Hagemann*). The chapter by *Natalia Makasheva* shows us that Kondratiev could have also contributed to the new research agenda of economics put forward by the Econometric Society if his fate gave him a chance.

Important Russian economists, using mathematical and statistical tools, who stayed in Russia faced a gloomy fate. They were either executed under Stalin's regime (e.g., Kondratiev and Chayanov) or changed their main occupation for a less

dangerous one (Slutsky, who became a pure mathematician) (see chapters by *Natalia Makasheva*, *Carol Leonard*, and *Jean-Sebastien Lenfant*).

3.5 *Designing and Building a Planned Economy*

According to Colin Clark, “it is a disaster for the idea of Planning that Russia should have been the country where it has first been tried” (Barnett 2004, p. 1). However, it was the case, and Russia got the unique experience of designing and building a planned and centralized economy. Marx had left no concrete indications how to create such an economy, so everything had to be invented from scratch. Economists of other countries were interested in this experience. Here, we can name the economic growth model by Feldman created in 1928 for the general 15-year plan for national economy and based on Marx’s reproduction schemes. It was subsequently discovered by Domar and elaborated in works of Lowe and Dobb (see *Harald Hagemann’s* chapter on Feldman). Then, there are Bogdanov and Bazarov’s works which could have contributed to methodology of planning; Strumilin’s work on maximization of a social welfare function. Leontief also began his work on input–output models in the context of Soviet planning. The theory of linear programming, put forward by Kantorovich and highly appreciated in the West, was also a response to the needs of the Soviet planned economy. But speaking about these works, we should not forget that the majority of them were turned down by the ruling Soviet circles which were not always interested in welfare of the citizens and felt suspicion against any non-Marxist proposals. Some inventions were, however, realized. But, the Iron Curtain kept these ideas secret from Western economists who understandingly came across the works of their Soviet colleagues with great tardiness and acknowledged their achievements in retrospect. (See the chapter by *Michael Ellman* on Kantorovich and the chapter by *Harald Hagemann* on Feldman.)

Speaking about the general attitude of Russian émigré economists to the developments in Soviet economy, we have to state the certain sympathetic interest in majority of cases which often changed for criticism as far as the new previously hidden information about the Soviet Union spread over the world (the case of Kuznets). It is interesting to mention that in the famous debate on economic calculation under socialism, such Russian mathematical economists as Marschak were on the socialist side (see Hagemann 2019).

Some of our heroes developed in emigration theoretical models of Russian economic and social development (see the chapter by *Andrei Belykh* on Gerschenkron) or served as experts in Sovietology (Gerschenkron, Domar, Baran), others deliberately distanced themselves from their Russian past (Leontief).

4 Transmission Mechanisms and Mutual Influences

The list of factors determining Russian specificity is not constant and stable. Their importance changed with time. On the early stages (beginning and middle of the XIX century), the mental ethical factors predominated, toward the end of the XIX and the beginning of the XX century, when Russian economists reached a degree of professionalism, the Marxist influence and mathematical-statistical bend became more important, and the experience of designing and building a planned economy, naturally, came to the fore after October 1917.

The transmission mechanisms between economists of different countries consist of studying at foreign universities, reading literature in foreign languages, translations of foreign literature, and personal contacts (now, mostly, through conferences, but previously through emigration). The period of intensive connections between Russia and the West we are covering in this volume is not very lengthy and extends from the 1890s to 1920s. In these decades, Russian economists were educated mainly in domestic universities, but the knowledge of foreign languages: German, French, and English in order of frequency was widespread among Russian researchers so that they could not only read foreign texts but also write in foreign languages for Western journals and publishing houses. Tugan-Baranovsky, Struve, Bortkiewicz, Chayanov, Kondratiev, Slutsky, and others published their works abroad and so could perform the feedback from Russian economic thought to the Western one. These connections were strengthened by personal contacts during their scientific trips abroad. This situation existed till the end of the 1920s.¹⁰ Since then, the direct connections with foreign colleagues were no longer possible, and contacts and mutual influences could be performed only through Russian émigré economists, mostly in Germany and the USA. The reception of “bourgeois” Western economists in the Soviet Union is a very special and interesting topic which cannot be dealt with here, but apparently in Soviet times, connections between Russian and Western scholars were negligible. Not only Western but also the leading Russian economists who are heroes of this book were eliminated from Soviet textbooks and reprimanded in critical articles as “bourgeois” “apologetic” authors. We must stress that in that time, émigré Russian economists were considered even more suspicious or dangerous than their colleagues who were born in Western countries. In this time, we can mention only several retrospective discoveries of Russian economists by Western scholars (Slutsky by Allen and Hicks, Feldman by Domar, Kantorovich by Koopmans, etc.) which attracted the attention of international economic community to the forgotten Russian scholars. This can hardly be called “influence”, but that was the way the great Russian economists who stayed in their homeland eventually entered the hall of fame of the history of economic thought. The authors of our volume give them full credit.

Translations of Western economic texts into Russian were a relatively well-developed industry.¹¹ We have already mentioned that Russian was the first language Marx’s *Capital* Vol. I was translated into. But, other directions of economic thought

¹⁰ See, for example, Seraphim (1925).

¹¹ See Latov Y. V. Thesis Vol. 1 (1993).

were also well represented. German Historical school (mostly Werner Sombart) and Austrian school (mostly Eugen von Boehm-Bawerk) were often translated and published by Russian publishers. However, among the founders of the Marginal revolution only Carl Menger was translated (both his theoretical and methodological volumes), whereas the classical texts of Walras and Jevons had to wait until the XXI century to be accessible to mass Russian audience. But, professional economists of the period indicated had no problems to read these works in original languages.

The difficulties arose with Western economists' access to Russian economic texts. They could get acquainted only with those written in foreign languages and published in Western journals. Sometimes, Russian authors living in Russia succeeded to get attention of the international economic community in this way (Tugan-Baranovsky, Chayanov, and, of course, Bortkiewicz), but in other cases, the situation was much worse (see, for example, Slutsky) and the respective texts had to wait many years before being "rediscovered".

We should also mention some touchy national issues. Our volume is about *Russian economic thought*. We have included economists who were born and studied in the Russian empire and the post-revolutionary Russia (since 1922 the Soviet Union). Some of our heroes were born in the parts of this country which belong now to Ukraine, Belarus, and Poland. A lot of them were Jews born in Ukrainian, Belorussian, and Polish towns or villages belonging to the so-called Pale of Settlement where Jewish residence was permitted. Restrictions for Jews concerning the place of their residence, acceptance to schools and universities, not to mention pogroms, made the young generation of Russian Jews adhere to Socialism and actively participate in the revolutionary movement. Some of them had good abilities in mathematics and got education in commercial and technical institutes. These factors contributed a lot to the formation of Russian Jewish economists who achieved international fame. Anyhow, Russian was the language all our heroes spoke and wrote. The degree of their Jewish or Ukrainian self-identification was different and sometimes very important for their personalities, but mostly not for their economic ideas.

We never planned our list of Russian economists known in the West to be exhaustive. But gradually, we realized that the interest of potential participants was great and our list became more and more impressive. Now, we do not feel at ease because we have missed several persons of importance like Bulgakov, Bilimovich, Bounyatyan, Vainshtein, Voitinskii, and many others. There are several reasons we did not include them in our list, but the main and, probably, sufficing reason is we have not found an author to write on them. So, we acknowledge that the blame is fully ours and hope that sometimes (may be, if a Russian edition of this volume will be realized), we will enhance the scope of our work.

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West-Russia-West: Early Interaction in Economic Thought. Cases of Storch and Chernyshevsky



Vladimir Avtonomov

The interaction scheme “West-Russia-West” described in the Chap. 1 of this Volume and consisting of the adaptation of Western economic ideas by Russian economists and transmitting them to the West in a modified form is encountered mostly after 1890s when the Russian economic science reached the stage of maturity. Before that time Russian economic thought was largely embedded in a broad stream of non-specialized social ideas. This syncretism of Russian social thought was frequently mentioned in the literature. At that stage we can hardly find examples of Russian economists having an impact on their Western colleagues. However, we’ll try to analyse two possible sequences from that epoch: Smith–Storch–List and Haxthausen–Chernyshevsky–Marx.

1 Smith–Storch–List

Under Catherine II Smith was apparently considered as an important figure of European Enlightenment which came to Russia mostly through French thinkers. Catherine sent two young Russians Ivan Tretyakov (1735–1776) and Semyon Desnitsky (1740–1789) to Glasgow to attend Smith’s lectures. After 1789 when the French spiritual

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influence diminished, Smith's influence survived. In early years of Alexander's I reign which were marked by the rise of liberal ideas, Smith became popular in Russia mostly as a prophet of freedom, both political and economic. The "Wealth of Nations" was translated into Russian in 1802–1806 and published at the cost of the state! In 1803, Say's "Traité" was published and Smith's ideas in Say's rendering became accessible to Russian French-speaking public (nobility). Under Alexander I political economy became fashionable in universities, literary magazines and even in Czar's family where Storch taught two Royal Princesses and then the Great princes Nikolay and Mikhail. In 1804, political economy and statistics were included in University curriculums. It so happened that Smith's ideas were presented to the Russian public mostly by German professors. Germans were always considered by Russians to be exemplar foreigners. The very word "nemets" (Russian word for a German) literally means "dumb"—a person who can't speak Russian. A lot of Germans served in Russia as scientists, military men, doctors, craftsmen and civil servants of different ranks including the highest (Ministers, generals, etc.). Thus European ideas (including British ones) most often came to Russia through educated Germans. And more importantly still, from the beginning of nineteenth century a large proportion of Russian *intelligentsia* were educated in German universities.¹

As is well known, Wilhelm Roscher even spoke about The "Russian German school", including among others Heinrich von Storch, Christian von Schlözer (1771–1831), Ludwig Heinrich von Jacob (1759–1827) and the longstanding Finance Minister Georg (Yegor) Cancrin (1774–1845). In fact, the list of German professors and statesmen active in Russia could be easily extended. Roscher's statement was certainly an exaggeration, because such a school, strictly speaking, didn't exist, but there was something important connected with the fact that main teachers of political economy in Russia were German. The first Russian textbook in political economy (1805–1807) was published in German, Russian and French variants by Schloezer, who had the first Chair of political economy in Moscow University. German economists had already adapted Smith's doctrine to the realities of less developed economies of German states and inherited a lot from German Cameralism containing detailed descriptions of good state policies (Staatswissenschaftskunst). German economists preferred an organic, not a mechanical image of society. The next stage was to adapt classical political economy to Russian circumstances, still more distant from English origins. German professors could easily point to the relativity of English classical school using the example of Russia.²

The most prominent representative of German Russian economists was Heinrich (Andrey) von Storch (1766–1835)—the first Russian economist, who was known in Western Europe, praised by MacCulloch, published (without the author's permission) and criticized by Say (Storch 1823). "Storch, who in the Russian literature is usually referred to as 'Andrei Karlovich', was a mediator between Western Europe and Russia" (Zweynert 2004, p. 525). In Western histories of economic thought he is considered as a German economist (Rentrup 1989, S. 3), whereas Russian histories

¹ For more about the German influence on Russian economic thought see Shirokorad (2005).

² This issue was first mentioned by Roscher (1874, S. 791–792).

count Andrey Karlovich Storch as a Russian one. His whole career developed in Russia and his other works (excluding the rejoinder to Say's critique) are dealing exclusively with Russian topics.

His main work, "*Cours d'économie politique*" (Storch 1815) was written and published in French and Czar Alexander I paid the printing costs. In fact, French was the language in which he taught Great Princes. These lectures actually built the foundation of the Cours.³ The Cours was divided into two parts. The first one was devoted to the theory of national (material) wealth. Here Storch was mainly following and partly citing Smith and Say,⁴ but not in all issues. For instance, his theory of value was not labour-, but utility-based. But we will concentrate upon the second part devoted to the so-called theory of civilization.⁵ This part contains Storch's main original input in theoretical economics—his theory of "internal" non-tangible goods, consisting of three groups: physical goods (health, skills), spiritual goods (knowledge, aesthetics), moral goods (morals, religion). Besides these principal internal goods, there are two auxiliary ones—security and leisure (Storch 1815, p. 11).⁶ These goods can't be bought or sold, but the labour producing them can be bought and sold in form of services. This is Storch's original theory, we can't find any borrowings here. Smith and Say approached the topic we may now call human capital, but their treatment was rather materialistic: they stressed analogy between material resources and human skills. Schloezer went further and had a broader conception of non-material resources (Zweynert 2004, p. 530). But the highest point was reached by Storch. This theory became a remarkable feature of Russian version of classical economics in 1840s–1850s (Zweynert 2002, S. 71). Storch attempted to enrich political economy with the analysis of non-material goods and factors and directly opposed Smith's division of productive and nonproductive labour, which was based upon the distinction of material and non-material goods. Storch considered the labour creating internal goods as productive.⁷ But most important was his emphasis on inner goods as a component of national prosperity. These goods can also be accumulated and transformed into capital like the material "richesses" (Storch 1815, p. 20). Storch's theory of inner goods is not confined to basic definitions, it is developed on a large scale and non-material side is never forgotten. The motives for providing services include besides material benefits also moral ones: want of esteem and honour, love, virtue and duty (Storch 1815, p. 39). For instance, a remuneration for services of members

³ Later it was translated into German and published by Rau in 1819. It was never translated into English. The Russian translation of the first volume was performed by Ivan Vernadsky in 1881.

⁴ This practice caused the angry commentaries of Say. We can explain it by pedagogical goal of the Cours. Storch didn't write his own version where the classical texts didn't need improvements and corrections.

⁵ The French term "civilisation" was translated in other languages as "social education" ("gesellige Bildung" in German, "образование" in Russian). But the original meaning of the term was much broader.

⁶ The basic internal good is security. Probably one reason for this is that the addressed "audience" will by definition take care of national security.

⁷ By the way, according to Storch, for producing inner goods we need not only the producer's but also consumer's labour (student's, patient's, spectator's, etc.).

of Russian Senate consists mostly of honour, because the modest pecuniary award could be only supplementary (Storch 1815, pp. 90–91).

Summing up, “what Storch’s theory of internal goods is dealing with is the connection between cultural and economic development” (Zweynert 2004, p. 532).

It is difficult to assert that Russian environment exerted an important influence on Storch’s theory of inner goods. Storch was born into a German family (though Riga already was the part of Russian empire at that time), studied at German universities (Jena and Heidelberg) and besides Smith’s doctrine, received a German cameralistic education.⁸ Among German predecessors of his idea of internal goods we can probably name von Soden and Hufeland, but Storch didn’t mention them as such and didn’t seem to be influenced by them. On the contrary in the very beginning of the Part 2 devoted to civilization theory he is talking about beginning an entirely *new science*, for which a lot of material was gathered by the Old and New economists, but which requires coordination and systematization. The author is setting a goal of outlining the principal lines of this new science (Rentrup, S. 55).

Storch didn’t seem to find inspiration in specific Russian circumstances. In fact, in the foreword he underlined that in such a country as Russia political economy (the classical one, of course) can also be applied. He wanted to set right goals before future governors of the Empire—Great Princes. As Zweynert underlines, the theory of inner goods was an attempt to set directions along which Russia can catch up with more civilized Western European countries (Zweynert 2002, S. 106).⁹ Probably the most important issue is the detrimental role of serfdom which is underlined in many places of the book in connection with different issues: fertility, safety, morals, etc. A special chapter deals with the influence of slavery upon civilization, and this influence is declared to be negative. It is handled on a theoretical level, and the examples given are mostly not Russian. But one can unmistakably feel what the author is trying to convey to his Royal students. For instance, Storch mentioned that a serf-peasant had a chance to be happy, but not a serf-industrial worker. This a clear allusion to Russian realities.

Another specific Russian detail worth mentioning is that Storch saw the favourable aspect of Russian reality in the predominance of agriculture in relation to industry. We should bear in mind that industry he saw was in an early stage of development characterized by long working day, children’s work, etc. and didn’t look attractive to contemporaries. A peasant, working in the open air, possessing various productive skills and not one primitive skill of the specialized industrial worker (and being personal free—let us not forget the previous point!) had many advantages including moral ones (Storch 1815, p. 163) in comparison with alienated (the Marx’s term is in place here) industrial worker (Storch 1815, pp. 110, 135). Storch’s slogan could have been “Every progress is reactionary if it destroys the Man” (a citation from Soviet poet Andrey Voznesensky (1933–2010)). He investigated, what happens to each internal good with the transition from agricultural stage to the industrial one, and found that

⁸ Georg Sartorius (whose work was also translated into Russian in 1796) could be mentioned among his forerunners (Zweynert 2002, S. 102).

⁹ By the way, one of such important directions was to enhance the knowledge of foreign languages.

in some cases, especially health, skills and morals, the situation is going to get worse (Storch 1815, pp. 106–136, 161–184). On the other hand, aesthetics and knowledge grow in industrial era. Thus, the theory of internal goods led Storch to reconsidering the growth of civilization and stress the advantages of agricultural stage Russia was experiencing. Even in foreign trade, as Storch argued, industrial products tend to grow cheaper while the prices of agricultural products increase (he used the example of Ireland). Storch used, though not very often, examples of different countries, illustrating his theoretical statements. But Russia is mentioned less frequently, than, for instance, England, though in his other works Storch compiled and published a vast collection of facts and figures on Russia. Probably, more plausible is Zweynert's thesis that German states and Russia had much in common both economically and mentally with Russia lagging behind.

The influence of Storch upon Russian economists of next generations and their estimates of his work is profoundly analysed by Dmitriev (2005). Our task here is to consider a possible feedback from Storch to the Western thought. Schloezer and Storch are considered by some authors (among them, Roscher) as forerunners of the German Historical school (Zweynert 2002, S. 81). Their works are believed to contribute to transformation of Classicism into Historicism in Germany. A good illustration of this transformation is provided by Storch's description of subject matter of political economy in the end of introductory chapter of his Course: political economy is based on study of man and people. "It is necessary to research the human nature, state and fate of society in different places at different times, to consult the historians and travelers, not only laws and customs but also the way they are realized ..." (Storch 1823, p. 36). Storch explicitly doubts any universal economic laws which are independent from concrete historical phenomena (Rentrup 1989, S. 14). In Book 8 of the Cours he outlines a schema of subsequent historical stages which is so characteristic for List and Historical economists.¹⁰ In fact, in order to produce "internal goods", a nation should achieve a stage, where the "external goods" (food, clothes, etc.) are already produced in sufficient quantities (Rentrup 1989, S. 57). The founder of German Historical school, Wilhelm Roscher considered the "German-Russian school as an antecedent of Historical school" (Rentrup 1989, S. 54), though he didn't accept Storch's theory of inner goods and criticized it for dissolution of economic issues in general considerations (Rentrup 1989, S. 128; Zweynert 2004, p. 538).

Zweynert discovered that Storch's list of internal goods literally coincides with the list of productive forces compiled by List in his "National System of Political Economy" (Zweynert 2002, S. 84). This indicates that List was influenced by Storch in the essential part of his doctrine. This doctrine also was not academical and was directed towards making German states catch up with world industrial leaders. But List and Storch had quite opposite political views. Storch was a consequent free-trader and supported a kind of gradual industrial development of Russian economy using agriculture as the starting point because of comparative advantage which Russia

¹⁰ He was, actually, not the first to undertake such an attempt. We can find such stages already by Turgot (Rentrup 1989, S. 23).

possessed in this sector (Rentrup 1989, S. 51).¹¹ In this respect as in many others Storch remained true to the classical school, the member of which he is considered by major historians of economic thought (Rentrup 1989, S. 54).

To our mind this can be considered as the first example of feedback influence of Russian economic thought on Western European one. Another Western economist who is believed to be directly influenced by Storch was a French liberal Charles Dunoyer (1786–1862). In fact, Dunoyer mentioned Storch in a footnote, where he acknowledged that Storch rightly criticized Say for mixing the labour, which produced non-material goods, with its products—the goods themselves. Storch did it 12 years before Dunoyer, but Dunoyer claimed that he didn't know about Storch's book before he came to the same conclusion. Dunoyer asserted that Storch did not make good use of this distinction (Dunoyer 1846, p. 226 f.2). So, if we give credit to these words, we can't speak about a direct influence of Storch on Dunoyer. However, Dunoyer devoted a lot of place and efforts to describe and analyse cultural factors of economic life. In Britain Storch was not well received because the British economists, at least since Ricardo, worked on a more abstract level, than Continental ones. The lasting impact of Storch's theory of internal goods (partly through Dunoyer) was achieved only in Russia (Zweynert 2004, p. 537).

One can discover economic ideas resembling Storch's internal goods by more recent authors. Something like Storch's conception of "division of knowledge" which is related to internal goods can be found by Hayek (Schumann 1997, S. 176). Among modern economic theories we can probably mention human capital theories, new growth theories, development economics. Some inner goods by Storch are produced by households which sounds like Kevin Lancaster's and Gary Becker's theories of consumption (Rentrup 1989, S. 108ff). But all these authors were not influenced by Storch directly, and some of them hardly knew about his existence. So, von Storch could have occupied a more impressive position in the history of economics than he has now.

2 Haxthausen–Chernyshevsky–Marx

August von Haxthausen was widely believed to be a discoverer of Russian obshina. His "Studien über die innern Zustände, das Volksleben und insbesondere die ländlichen Einrichtungen Russlands"¹² published in Germany in (1847–1852) after the 12 month-trip through different regions of Russia in 1843–1844, which was financed and supported by Nicholas I¹³ was the first systematic and rather sympathetic description of this institution, which became the central issue of discussions

¹¹ Probably, this was the reason why List didn't acknowledge Storch's influence on his theory (Zweynert 2004, p. 534).

¹² See Haxthausen (1972). This is an abbreviated one-volume English translation.

¹³ An interesting point is that besides obtaining information on Russian agriculture and recommendations considering its possible reforming, Nicholas I also planned the publishing of Haxthausen's

in Russian social thought of subsequent decades. There are some debates about the priority of this discovery.¹⁴ Haxthausen himself wrote that he came across this issue while describing organization of agriculture in Prussia in 1830 (this investigation was financed by the other monarch, Friedrich Wilhelm IV of Prussia), where he found some peculiarities in Prussian regions formerly inhabited by Slavs. In fact, Haxthausen was acquainted with Polish literature about the obshina before his trip to Russia (Svyatlovsky 1923, pp. 180–181). Certainly, he also could have had some preliminary talks with Russian Slavophiles in Moscow who discussed obshina. Goehrke wrote that Haxthausen discovered the obshina as the crucial institution of Russian social life without any influence of Slavophiles (Goehrke 1964). Among Russian historians there are different views on this issue. Shtein, of course, postulated the opposite sequence: Haxthausen borrowed the views of Russian Slavophiles which at that time were not reflected in any publication (Shtein 1948, p. 116). But several pages later he mentioned that Slavophiles originally treated obshina as an ethical problem and formulated a corresponding social theory only in 1847–1852 (Shtein 1948, p. 121)—that is after the publication of Haxthausen's work. This debate, however, doesn't change the main fact that this work was the first empirically founded scientific source upon which any further discussion could be based. Haxthausen was not a professional economist, but he certainly had a great practical experience of managing for 12 years his family estate in Westfalia where the abolition of serfdom took place just in this time-period. As for his research methods, they are characteristic for a representative of the Historical approach.¹⁵ We should mention his friendship with Grimm brothers, one of whom (Jacob) taught him law in Göttingen along the lines of Historical school of law headed by their friend Karl von Savigny. Like his friends from the Romantic school Haxthausen collected folk songs and fairy-tales, and one of the courses he took in Göttingen was called "The man in his organic entirety". His adherence to statistical method also points in the direction of Historicism.

Haxthausen saw in Russian obshina with its regular redistribution of land sites between families and communal organization of agricultural works a chance for Russia to escape proletarianization and social unrest. At the same time, he was "practical" enough to estimate the obshina as a factor retarding technological progress.

Haxthausen's book was allowed to circulate in Russia in German and French versions but the translation into Russian was prohibited until 1870 (and even then several critical passages were omitted).¹⁶

book as a certain antidote for European audience to the recent critical publication of Astolphe de Custine's "La Russie en 1839".

¹⁴ This question is analyzed in detail by Zweynert. See Zweynert (2002, S. 202).

¹⁵ The accepted tradition is to classify as main members of the old Historical school Wilhelm Roscher, Bruno Hildebrand and Karl Knies. I can agree with this as far as the academic economic theory is concerned. But, for example, the not purely academic List's "National System of Political Economy" (1841) could be also called a manifestation of Historical approach which appeared earlier than Roscher's works.

¹⁶ The following passage is based on: Avdeeva (1998).

After the publication of his travel account Haxthausen was generally considered an expert on Russia and its agriculture. He never ceased to be engaged in Russian reforms in intensive collaboration with the Great Princess Helene of Russia, participated in the discussion and wrote several notes which were handed to Alexander II (Stoyanoff-Odoy 1991). In 1857 he published in “Russky vestnik” two articles on agricultural reforms connected with abolition of serfdom in Prussia and Austria to make the Russian public familiar with Western European experience. In the discussion Haxthausen’s position was closer to the “liberal camp”, he advocated the liberation of peasants with the half of their land free of charge. According to him, main actors in post-reform Russia should be obshinas and responsible noble landowners, but not Russian bureaucrats, on whom his opinion was not much more favourable than that of Marquis de Custine. How to avoid these middlemen under autocracy of Russian czars, remained unclear. In 1866 a new book in German was published by Haxthausen and his associates provided by the Great Princess Helene to give the European public a detailed account of Russian agricultural reforms (Haxthausen 1866). A special chapter of this book is devoted to Russian obshina which he recommends to preserve despite its technological backwardness because of its political importance and as a barrier to proletarianization of peasants.

Haxthausen’s book propelled general discussion on obshina with Nikolay Chernyshevsky as an important participant. The discussion started right after the publication of Haxthausen’s book, but Chernyshevsky joined it with some delay. He was not an economist but a philologist by education, a prolific and energetic journalist of radical views who became the main figure in influential “Sovremennik” magazine. He began to deal with economic problems only in 1857. But this very talented autodidact very rapidly became known as one of the leading Russian economists. His main economic work was the translation of John Stuart Mill’s “Principles of Political Economy” with extensive commentaries in which he tried to draw socialist conclusions from Mill’s theoretical work. The second direction of his thought was devoted to the problem of obshina. In the beginning his treatment of this problem was broadly ethical, a combination of Slavophile and socialist ideas: “A single man, becoming independent was left in a helpless state ... After the idea of the rights of a single personality an idea of union and brotherhood emerged ... In the agriculture it must be expressed in the transition of land in common use, in industry—in the transition of factories into common use of their workers ... let us not dare to touch the holy, salvatory custom, which we inherited from our past, let us not dare to encroach on obshina use of land...” (Chernyshevsky 1857a). In fact, Chernyshevsky combined materialism with a dose of Christian-orthodox ethics which couldn’t be a surprise taking into consideration his religious upbringing and education. Here we may refer to his “expressed anthropocentrism” and treatment of political economy as a normative science.

But in the polemics with the liberal Professor Ivan Vernadsky, the editor of “*Ekonomicheskyy ukazatel*” Chernyshevsky used the materialist economic discourse and applied to the authority of Haxthausen as an expert and impartial researcher. In 1857 he published a big article in “Sovremennik” (Chernyshevsky 1857b), exposing Haxthausen’s work of 1847 very extensively with his commentaries (these excerpts

were actually the first Russian translation of a considerable part of Haxthausen's first volume!), making some corrections, and praising the book in the whole as a source of reliable information. In this article Chernyshevsky proposed Russian obshina as a more favourable transitory stage to large-scale industrialized agriculture than small private farms of West-European peasants. In this article he didn't glorify the obshina for its own sake like in the notes cited above. According to him Russia was just lucky to be backward enough, so that this obsolete form of organization survived. Subsequently, when machines will be used in agriculture, obshina will promote the graduate transition to socialism in agriculture. In his commentaries Chernyshevsky referred to Haxthausen as a representative of a country with privately owned farms, who, nevertheless, as a practical man was impressed by the practicality of common ownership in Russia.

In another publication in "Sovremennik" (Chernyshevsky 1858) Chernyshevsky approached the obshina question from the philosophical standpoint using a kind of Hegelian dialectics. After the first nomadic stage with communal property the growth of population creates the need for intensification of agricultural production, capital investments and private property. But on the next stage the concentration of production will lead to the return to communal property. So Russia had a possibility to skip the second stage (Chernyshevsky 1858, p. 388).

Already in the end of 1858 Chernyshevsky began to doubt the protecting role of obshina, but continued to believe in it as a way to transition to socialism. After the reforms of 1861 he seemed to drop the slogan of obshina altogether and concentrated on the struggle against autocracy (Gurevich).

Working on the first edition of Capital Vol. I, Marx was very sceptical about Russian supporters of an obsolete institution of obshina, including Alexander Gercen (Herzen). He noticed that Gercen's views were influenced by Haxthausen, but apparently was not familiar with the latter's work at that time (Vada 2018). Marx shared the Young Hegelians' antipathy to the Romantic school to which Haxthausen belonged, and believed that Haxthausen was duped by the Russian authorities and the peasants trained by them (White 2019, p. 7). At that time Marx firmly believed that the remnants of primitive communal property could be found all over the Globe and were progressively eliminated by capitalist development. He was confident that the backward countries could make their way to socialism only with the help of the proletariat of advanced Western countries winning the socialist revolutions in their countries. But in 1870s his position was changing. Researches into the history of land-holding he was studying "suggested that peasant communal ownership was far more resilient than had previously been supposed" (Steedman Jones 2017, p. 570). These studies which were "part of a mainstream development in German and Anglo-Saxon culture" (Steedman Jones 2017, p. 578) were originally concentrated upon the German Mark, but the case of Russian "obshina" became especially important for Marx because of its political potential.

Marx learned Russian and urged Engels to do the same to read the non-translated works by Chernyshevsky on obshina (White 2019, p. 12) and V. Bervi-Flerovsky (1829–1918) on the plight of the working class in Russia. Marx first learnt about Chernyshevsky in 1867 from N. Serno-Solovyevich (Steedman Jones 2017, p. 579).

Very important was his contact in 1870 with German Lopatin (1845–1918)—a member of the First International and the first translator of “Capital” into a foreign language¹⁷—who was an admirer of Chernyshevsky’s works.¹⁸ Marx was favourably impressed both by Chernyshevsky’s commentaries on Mill and his works on obshina. We don’t know precisely which Chernyshevsky’s article on obshina Marx read, but this reading obviously became the turning point in his attitude towards Russian obshina (Vada 2018)¹⁹. In Chernyshevsky’s socialist version the argument of Haxthausen about the viability of Russian commons seemed to Marx irresistible (Steedman Jones 2017, p. 579). Chernyshevsky’s use of Hegelian dialectics with common ownership of land first giving way to the private one and later coming back on a higher level of development may have also played a role. We can also assert that Marx closely followed Chernyshevsky in his interpretation of emancipation of Russian serfs (White 2019, p. 16).

The other reason which made the Russian obshina so attractive for Marx was the political one. In 1870s the situation in Western Europe didn’t look promising for a socialist revolution anymore. Russia, especially in the case of a possible defeat in Russian–Turkish war could explode and in the predominantly agrarian country the obshina could serve as a foundation of collective socialist production.²⁰ Accordingly, Marx changed the preface to the second edition of “Capital” (1873), inserted the praise for Chernyshevsky as “the great Russian scholar and critic” (Marx, p. 15) and eliminated the principal thesis that all the countries should undergo the process of primary accumulation of capital before they could aspire for socialist future. This change in Marx’s position was reflected in his letters, and especially in drafts of the letters to the editor of “Otechestvennye zapiski” (Marx 1878) and Vera Zassulich (Marx 1881). In the first draft of the letter to the editor Marx referred once again to “the great Russian scholar and critic Chernyshevsky” and repeated his thesis which was formulated in Chernyshevsky (1858). Marx wrote to Zassulich that the fact that peasant communes had disappeared in Western Europe didn’t mean that the same would take place in Russia (White 2019, p. 41). In the draft of the letter to Zassulich Marx thus came to refute his earlier beliefs and revised them insisting on the principle that no theory can be applied universally. It turned out that the influence of Chernyshevsky was the main reason why Marx changed his view on obshina and supported not Russian Marxists but the populists in their dispute (Steedman Jones 2017, pp. 580–581).

¹⁷ With the exception of Mikhail Bakunin who dropped this project in the beginning.

¹⁸ At that time Chernyshevsky was already in exile in Siberia, where Lopatin somewhat later tried to set him free, dropping his work on translation of “Capital” which had to be completed by Danielson.

¹⁹ Shtein tried to prove that Marx had a favorable opinion regarding Russian obshina (regarding it as an institution which mitigated poverty) even before his acquaintance with Chernyshevsky’s works (Shtein 1948, p. 228), but this argument doesn’t look persuasive. Marx could be hardly accused for having such a kind-hearted position in any political or theoretical question.

²⁰ This position is amply reflected in the Preface to the Russian edition of “The Communist Manifesto” in 1882: “If the Russian Revolution becomes the signal for a proletarian revolution in the West, so that both complement each other, the present Russian common ownership of land may serve as the starting point for a communist development” (Marx and Engels 2002, p. 196).

* * *

The first examples of West-Russia-West connection, which we described above could be summarized in the following sequences.

- I. Classical political economy (Smith, Say)—Russia (Storch)—Historical economic thought (List).
- II. Historical economic thought (Haxthausen)—Russia (Chernyshevsky)—Marx (though not Marxism).

In the first sequence the Russian economist Storch transformed the Classical theory in a more spiritual version including internal goods, which was inherited by a Historical economist (List), though not an academic one. In the second sequence the Historical empirical approach to economic reality was used by the Russian thinker and activist Chernyshevsky to build a hypothesis about historical evolution of Russian obshina, which Marx, in his turn, found promising for a future revolutionary change of the existing order. The stories these sequences are telling us are different. All the members of the second sequence certainly didn't aim at improving economic theory. Social and political problems in the turbulent times were really important for them, though Haxthausen wanted to avoid turbulence, Marx—to increase it, and Chernyshevsky in 1857–58 was probably moving from the first to the second position.

The first sequence points in the direction of making economic theory less abstract, embracing an array of inner goods, classical economists abstracted from. But this was naturally done not for the theory alone but for the technical, moral and social progress of lagging countries Storch and List were promoting.

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Tugan-Baranovsky and the West



François Allisson

1 Introduction

Western thought, unlike other branches of science and culture, has not taken into account the development of economic theory in Russia. One can boldly assert that, in the field of economic theory, M. I. [Tugan-Baranovsky] was the first to force European thinking to pay serious attention to its movement in Eastern Europe and in Russia. [...] Not only did he become on a level with the epoch and on a level with the scientific economic thinking of advanced countries, but he was also able to contribute to its progress and, by virtue of this, he, more than anyone else enabled Russian economic science to be placed on a par with that of Europe.

(Kondratiev [1923] 1998, p. 337)

Nowadays, the name of Tugan-Baranovsky is associated with one of the most famous Russian economists, renowned for his developments in the field of crises and cycles theories. But where does this odd last name come from? According to a family legend, the Tugans were an old Tatar family—that some hoped to go back directly to Genghis Khan—settled in Poland, and from at least the fifteenth century were serving in the cavalry for the Kingdom of Poland and the Grand Duchy of Lithuania. During the 1410 Battle of Gruenwald, Tugan-bek, the chief of the Tatar cavalry engaged against the Teutonic Prussian knights, fell in love with a Polish princess, Rosalia Baranovskaya. She agreed to marry him on the condition that he brought her back the head of a Teutonic general. No sooner said than done, according to the same family legend: the Tugan-Baranovskys were born. The Tatar and Polish noble origins were a pride in the family, but in the nineteenth century, they lost their nobility titles, following participations in the 1830 and 1863 uprisings in Poland,

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including by the grandfather of our economist. Mikhail Ivanovich was born in this Russian family in Solyonoe in the province of Kharkov, in the territory of today's Ukraine, as the son of Ivan Yakovlevich Tugan-Baranovsky, freshly converted to the orthodox faith, having changed his original name, Ibrahim Jakubovich. This story, told and documented by archival proofs by Mikhail Ivanovich Tugan-Baranovsky's own grandson¹ (the episode of the Teutonic head left no official document), gives a rather colourful meaning to the origins of Mikhail Ivanovich Tugan-Baranovsky. He is Russian, but as this story tells, Russia is only a summary of a much more complex story made of exchanges between cultures, religions, languages and geographical places.

This story was therefore told here as a useful reminder that when I will use the broad categories of *Russian* and *West* in this paper, it never targets a pure national idea, as the latter doesn't exist. Yet, having this caveat in mind, Nikolay Kondratiev, the father of long cycles theories, correctly asserted in the epigraph above, that Tugan-Baranovsky was one of the most influential *Russian* economists in the *West*. According to Sorvina, he is even "the first Russian economist with a world-known name" (Sorvina 2005). The Western economic literature is full of appraisals of Tugan-Baranovsky's achievements (most notably, but not only) in the theory of crises and cycles. From Werner Sombart calling Tugan-Baranovsky "the father of the new crises theory" (Sombart 1904, p. 113) to Keynes expressing his "strong sympathy with the school of writers – Tugan-Baranovski, Hull, Spiethoff and Schumpeter – of which Tugan-Baranovski was the first and most original" (Keynes 1930, vol. 2, p. 100), through Spiethoff, Kautsky, Bernstein, Lescure, Aftalion, Mitchell, Cassel, Robertson, Schumpeter, etc., the list is long and impressive.² Reconstructing a full list of those Western economists is not what will concern us in what follows.³

In what follows, the objective is to observe the circulation of ideas from the West to Russia, and back from Russia to the West, in the case of Tugan-Baranovsky. To this purpose, Sect. 2 looks at the Western impact on Tugan-Baranovsky, in particular on his education as an economist. Then, as a way to observe how these ideas are adapted and transformed in the Russian context, and how they travelled back in the West, two case studies are chosen. The first evolves around the publication of Tugan-Baranovsky's master dissertation on *Industrial crises in contemporary England, their causes and influences on national life* (1894), in Sect. 3. And the second dwells on his book *Theoretical foundations of Marxism* (1905a, b), in Sect. 4.

¹ Dzhuchi Mikhailovich Tugan-Baranovsky (1948–2015) was a professor of history at the State University of Volgograd (Russia), specialist of the French Revolution, of Napoleon Bonaparte campaigns, and of his own family, including his grandfather Mikhail Ivanovich. See his biographical account of his grandfather (Tugan-Baranovsky 1997).

² Such references can be found for instance in Beckmann (2005) or Barnett (2001).

³ A similar list could be built for Japan, where Tugan-Baranovsky's works were quite early translated and widely discussed. For a bibliographical starting point, see Kojima (1975).

2 The West as a Source of Inspiration

In order to study Tugan-Baranovsky's legacy, the scholar has at its disposal a whole range of secondary literature. First, there is a handful of very good quality dictionary and encyclopaedia entries (see, among others, Avtonomov and Makasheva 2016; Nove 2008; Crisp 1968), there are a few bibliographies (especially Amato 1980, 1981), and one can easily find outstanding work of synthesis (like Makasheva 2008; Bogomazov 2006; Howard and King 1990; Nove 1970). There are a lot of dissertations on him (among the earliest, Gringauz 1928; Gotz 1930; Kowal 1965), especially since the 1990s. The secondary literature on Tugan-Baranovsky is huge,⁴ and in recent times, it has grown a lot, in the West and particularly in the Russian and Ukrainian literature.

But when one is interested to work in a contextual approach, then it becomes more difficult. There are no personal archives of Tugan-Baranovsky, because both his huge library—about 40,000 volumes—and his personal papers were lost in 1917 during the First World War (taken by the Germans?), when Tugan-Baranovsky moved from St. Petersburg to Kiev, to accept the position of Minister of Finance of the Ukrainian Central Rada. The researcher is then forced to collect scattered materials. A few researchers have dug and found nice archival pieces here and there, like Tatarnikova (1991), Shirokorad (1996) or Tugan-Baranovsky (1997), and we are much grateful for the publication of such collections as *Unknown Tugan-Baranovsky* (Shirokorad and Dmitriev 2008), which contains a lot of materials and especially letters found in the papers of Tugan-Baranovsky's contemporaries.

As Tugan-Baranovsky hasn't left us with an autobiography, many of what we know of his life course and contacts is given to us by his contemporaries, colleagues and especially students (like Kondratiev, Solncev, Klejnborst). It is therefore ordinary that many facts about his life are found contradictory in the various accounts that are published, and every study about Tugan-Baranovsky is necessary an impressionist piece of scholarship. For instance, according to his grandson, who had never met his grandfather, but who reminds the numerous stories told by his father, there were many books in Mikhail Ivanovich's library with dedicated autographs, from people like Werner Sombart, Eduard Bernstein, Karl Kautsky, Bernard Shaw, Georgy Plekhanov, etc. and by just reading the autographs, you could track Tugan-Baranovsky's travels in Germany. Unfortunately, these books are lost.⁵

To take a significant example, it is difficult to know how his interest to political economy was born. It is well known that, as a schoolboy in the second gymnasium of Kharkov, Tugan-Baranovsky read and enjoyed Kant and Dostoyevsky—a Western and a Russian author.⁶ Tugan-Baranovsky was chiefly interested in natural

⁴ I have myself contributed to these Tugan-Baranovsky's studies: see for instance Allisson (2011, 2014, 2015, Chaps. 4–5).

⁵ Fortunately, the reverse is not always true: Tugan-Baranovsky's books survived, with annotations, within Plekhanov's personal library, as exhibited online at the National Library of Russia in St. Petersburg (see <http://nlr.ru/exib/Lenin/len-baran.html>).

⁶ Both authors will remain very important to him, and he will return to them. See Makasheva (2008).

sciences, and after he finished the gymnasium in 1883, he first enrolled at the natural science department of the faculty of physics and mathematics at Petersburg Imperial University. And when he was arrested and then expelled for his participation in a manifestation and in a group of students for anti-imperial agitation, and exiled in his native Kharkov province, he enrolled thanks to the active administrative help of his father at the University of Kharkov in the physico-mathematical faculty, where he graduated in 1888, again in natural science. But, almost simultaneously, he studied as an external student in the law faculty, where his interest for political economy raised. There he wrote a dissertation on “The causes of value” (1889).⁷ But this part of his economic education, before he joined the University of Moscow to gain a *magister* degree in 1894, is not well known. We are aware that I. I. Yanzhul played an important role in the formation of Tugan-Baranovsky in Kharkov. But nothing is known, for instance, of a possible role of Tsekhanovetsky, then also professor of political economy at the University of Kharkov.⁸

Tugan-Baranovsky travelled a lot in his life. For his studies, he moved from the province of Kharkov to Petersburg, then was exiled back to Kharkov, then moved to Moscow, and eventually spent 6 months in London in 1892. From there, back to Moscow, then Petersburg starting from 1895, then exiled anew in 1901, in Lkhvica in the province of Poltava (nearby Kiev), in the region of his second wife and of his mother, and then back in 1905 in Petersburg. Finally, a third exile from Petersburg in 1917, the last and the first chosen: Kiev and around, for the last two years of his life. We also know that he travelled in France (where he met his first wife—on the Eiffel Tower!—Lidya Karlovna Davydova), in Italy (after the marriage with his second wife—Olga Fedorovna Rusinova), and we have a lot of proofs of his presence in Germany, especially for his editorial and publishing affairs. So, while he spent most of his time in the Russian empire, he travelled in Western Europe quite often, and at a time in his life, in 1904, he even thought of moving definitely to Germany, where he felt more understood.⁹ As Tugan-Baranovsky lived only until 54 years old, it is unknown if he would have settled definitely in the Ukraine, or if he would have exiled himself once again, in Western Europe, as sometimes suggested in the literature.

Tugan-Baranovsky is known to handle several foreign languages. According to his quotation practices, and translation experience, he must have mastered German and English, and have a more passive understanding of French and Italian, at least. About English, the stay in London at the library of the British Museum during 6 months was formative. There, in spring and summer 1892, he gathered materials for his *magister* dissertation on *Industrial crises in contemporary England ...*

⁷ So far, it is unknown to me if this work subsists somewhere. It is likely that it provided the basis of his first published work, “Study on the marginal utility of economic goods as the cause of their value” (Tugan-Baranovsky 1890), which introduced marginalism in Russia (see Allisson 2015, Chap. 3; Makasheva 2009).

⁸ G. M. Tsekhanovetsky was also one of the teachers of N. I. Sieber two decades earlier in Kiev. On Tsekhanovetsky, see Allisson et al. (2020, pp. 301–302).

⁹ As it is apparent from his letters to A. A. Kaufman, at the time he was assigned in Lkhvica, from 1901 to 1905 (in Shirokorad and Dmitriev 2008, pp. 48–112).

(1894), working on the English so-called Blue Books (official documents, often from the Parliament, containing official statistics), published works of parliamentary commissions, various statistics, that he will supplement with researches at two libraries in Petersburg (Tugan-Baranovsky 1894, p. ii). The idea to travel to England to gather materials in the library of the British Museum for a dissertation on political economy about the British economy shall not be taken as something extraordinary. It was even considered standard. To take just two examples, I. I. Janzhul wrote himself a dissertation (published in 1874) on the history of the system of English excises, with materials collected in the library of the British Museum and in the Royal Library of Munich, and A. A. Manuilov published in 1895 a dissertation on the rent of land in Ireland, with stays at the British Museum and in Ireland. What was becoming less typical at the time of Tugan-Baranovsky was the necessity to travel after the dissertation to complete the education abroad, as did many Russians with state-sponsored grants in the 1860s and 1870s.¹⁰

About German language, Tugan-Baranovsky arrived in 1904 at the conclusion that “In German, I now write quite satisfactorily”,¹¹ even if he recognized that “It is difficult, because to write in another language is not the same as writing in its own language”.¹² The injunctions to write in German seemed frequent at the time, as Ladislaus von Bortkiewicz, Russian economist and statistician established as an extraordinary professor in Berlin, told in 1904 his friend A. A. Chuprov, still but not for long settled in Russia:

You are right to notice that such works as Dmitriev’s *Essays* in Russia went unnoticed. But this will also apply to your notes in your Institute’s *Izvestia*. My advice: write on such topics [...] in German! [...] And no need to worry about the language. According to my observations, even Tugan-Baranovsky’s German style satisfies the vast majority of readers.

(Ladislaus von Bortkiewicz to A. A. Chuprov, in Sheynin 2005, letter 75)

While many of Tugan-Baranovsky’s works were translated into foreign languages during his lifetime (in German, in French, in English, in Spanish, in Czech, in Ukrainian), Tugan-Baranovsky supervised the French editions of his work, and often translated himself the German translations. Among Western languages, only in German, or almost, did Tugan-Baranovsky had an independent publishing activity. In fact, from the beginning of the twentieth century, his bilingual publications were almost always first published in German, and then translated by him into Russian. In Germany, he collaborated to such journals or encyclopaedias as Werner Sombart’s *Archiv für Sozialwissenschaft und Sozialpolitik*, Karl Kautsky’s *Die Neue Zeit*, Wilhelm Lexis’s *Handwörterbuch des Staatswissenschaften*, or Heinrich Braun’s *Archiv für soziale Gesetzgebung und Statistik* and *Annalen für soziale Politik und Gesetzgebung*.

¹⁰ On the case of A. I. Chuprov, I. I. Janzhul, N. I. Sieber, etc., see Masoero (1995).

¹¹ Letter no 11 from Tugan-Baranovsky to A. A. Kaufman, in Shirokorad and Dmitriev (2008, p. 98).

¹² Letter no 12 from Tugan-Baranovsky to A. A. Kaufman, in Shirokorad and Dmitriev (2008, p. 98).

The fact that Western authors and ideas influenced him is apparent from his publishing records, where he devoted many studies to individual Western economists. For instance, he published two biographies for Pavlenkov's popular biographical series "lives of remarkable people": on Proudhon (1891) and on John Stuart Mill (1892). Between 1901 and 1902, he published a series of articles in the journal *Mir Bozhij* with dedicated articles on Smith, Malthus, Ricardo, Owen, Saint-Simon, Fourier, Sismondi, Rodbertus, Marx, the Austrian School, etc. that were collected in a successful book, *Essays in the newest history of political economy* (Tugan-Baranovsky 1903, in Russian) that went through several editions. In all, his readings of foreign economists in the original language ranged much more widely than the canons of classical political economy: he was up to date in the latest developments of the German historical schools, of the writings of the second generation of Austrian marginalists, of German and Austro-Marxists, of so-called later utopians (Pecqueur, Thompson), of German Neokantianism (Windelband, Rickert), of psycho-physics (Wundt, Weber-Fechner), etc.¹³ His readings were nevertheless more German and English than French or Italian.

Eventually, Tugan-Baranovsky was involved in several translations projects: he supervised in 1896 the translation of Henry George's *Progress and Poverty* into Russian, he translated and introduced in 1897 some chosen texts of John Eliott Cairnes, he translated in 1900 Georges Blondel's *L'essor industriel et commercial du peuple allemand*, he prefaced the 1901 Russian translation of Werner Sombart's articles on the organization of labour, and in 1909 he published an authorized translation, with a preface, of Böhm-Bawerk's second edition of *Kapital und Kapitalzins*, and he prefaced the Russian translation of Karl Vorländer's texts on Kant and Marx. All this shows the significant implication of Tugan-Baranovsky in the importation of foreign, and especially Western thought. These influences are found back in his own works. His popular and award-winning textbook, *Foundations of political economy* (1909), several times re-edited, contains in his bibliographical supplements to each chapter a quite impressive range of influences (also with a subsection containing specifically Russian literature). All in all, what has been said in this section shows how much Tugan-Baranovsky owed to Western thought.

3 The Reception of *Industrial Crises in Contemporary England*

It is the normal fate of academic business that the intentions of an author in terms of audience are rarely met as expected. The success of Tugan-Baranovsky's books in the West is indisputable, but his intentions have scarcely been followed by his readers. Let me explain what I have in mind with the following two case studies. First, his book *Industrial crises in contemporary England ...* was written and intended for a

¹³ Comparatively, he devoted much less essays (necrologies and polemical texts excepted) to Russian thought; Dostoyevsky and Chernyshevsky being notable exceptions.

Russian audience, but the destiny of the book was to be mainly recognized abroad (see below). Eventually, the reputation of the work abroad played on its success in Russia. Second, his book *Theoretical foundations of Marxism*, published in both German and Russian languages, was intended first and foremost for the German audience, but it knew successive editions only in Russian (see next section).

The reception of Tugan-Baranovsky's book on crises in the West is contingent, for linguistic reasons, on the existence of editions that circulated in the West: mainly, during Tugan-Baranovsky's life, the German 1901 and the French 1913 editions. The absence of an English edition is also important in this story. It is therefore necessary to understand the history behind these various editions.

The book *Industrial crises in contemporary England, their causes and influences on national life*, published in Russian in 1894 is the result of almost four years of work in London and in St. Petersburg, to complete a *magister* dissertation at the University of Moscow. The book is organized in two parts. The first part (history of crises) deals with a lot of empirical material about the history of English crises in the nineteenth century and their social consequences (9 chapters). The second part (theory of crises) contains only two chapters. One about the "theory of markets", the other about the "theory of crises".

The first of these theoretical chapters ("theory of markets") contains Tugan-Baranovsky's explanation of the possibility of crises, caused by the capitalist anarchy in production, the tendency towards infinite accumulation of capital, and the key argument of disproportionality between sectors of production. It is in this chapter that Tugan-Baranovsky provided the bases of his path-breaking "revisionist" contributions to the field of Marxian economics, with his absolutely novel use of Marx's schemes of expanded reproduction, to which he added a third sector for luxury consumption goods, and which he used in subsequent publications—for criticizing the labour theory of value, the law of the tendency of the rate of profit to fall, and even to find a solution to the transformation of prices of production to labour value—gathered in his *Theoretical foundations of Marxism* (1905a, b).

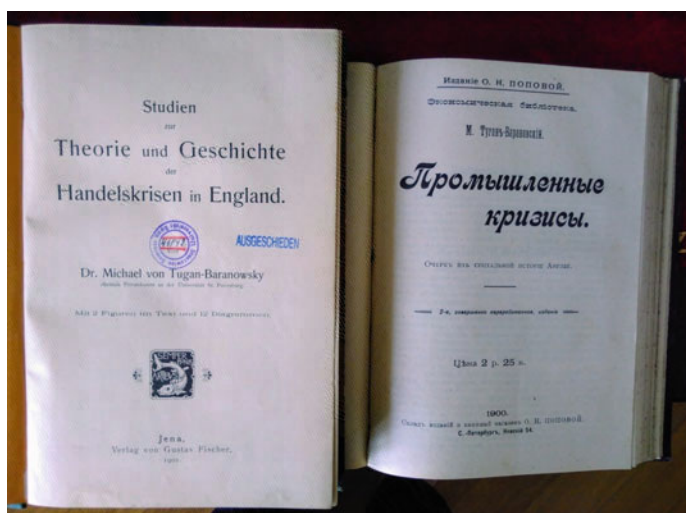
The second chapter ("theory of crises") contains his path-breaking explanation of the different phases of the capitalistic cycle, and of the recurrence and periodicity of crises with the use of various mechanisms, including the cyclical fluctuations of free loanable capital in the banking sector. The two chapters together form Tugan-Baranovsky's theory: crises occur for causes that lie in the theory of markets, and their periodicity is explained as part of a capitalistic cycle.¹⁴

The second Russian edition appeared in 1900, under the title *Industrial crises* (Tugan-Baranovsky 1900a). It is still divided into two parts, but differently. The first part ("theory and history of crises") starts with the chapter on the theory of markets, then proceeds in four chapters to an updated history of crises, and eventually ends with the chapter on the theory of the periodicity of crises. The second part ("social importance of crises") now takes four full chapters and is much more developed. In all, about two-thirds of the book were new for the reader.

¹⁴ For a presentation of Tugan-Baranovsky's theory of crises, see Hagemann (1999, pp. 91–97). For the link between the theory of markets and the theory of crises, and the controversies it raised, see Besomi (2006).

The first German edition of the book appears in 1901. But before this publication, a long paper appeared in German, containing parts of the 1900 Russian and 1901 German editions on the social consequences of crises (Tugan-Baranovsky 1899a). The full German edition was published in Jena by Gustav Fischer, under the title *Studien zur Theorie und Geschichte der Handelskrisen in England* (Tugan-Baranovsky 1901). The edition had the same structure as the 1900 Russian edition, except for the inclusion of two new theoretical chapters at the end of the first part: one containing a critique of under-consumption theories of crises (Sismondi, Hobson, Dühring, Herkner), and another one on Marx's theory of crises, containing a critique of the theory of labour value and of the law of the tendency of the rate of profit to fall.¹⁵

Then arrived the 1913 French edition, entitled *Les crises industrielles en Angleterre* (Tugan-Baranovsky 1913), indicated as translated by Joseph Schapiro from the 2nd Russian edition, enlarged and improved by the author. It is in fact an almost third edition. The third Russian edition, is published under the title *Periodic industrial crises* (1914). Structurally, the 1913 and 1914 editions are almost identical, with three parts: the first part ("history of crises") retraces the history of crises until the end of the 1900 decade. The second part ("theory of crises") now contains 6 theoretical chapters in the Russian edition (1. Circulation of social capital, 2. Theories of markets of the classical school, 3. Theories of markets of Malthus-Sismondi and of the Marxian school, 4. Solution to the theory of markets, 5. Theory of crises, 6. Causes of the periodicity of crises), organized in three chapters in the French edition. Finally, the third part ("social consequences of crises") contains five chapters.



Title pages of the 1901 German and 1900 Russian editions

¹⁵ This last chapter, on Marx's theory of crises, has been recently translated into English. See Tugan-Baranovsky (2000b).

It is necessary to add something on the absence of a full English translation of any edition,¹⁶ as it impeded the early diffusion of his work, which went more indirectly in the Anglo-Saxon world, through the French rather than the German edition. In 1954, there has been a partial translation of some theoretical chapters of the third Russian edition: Chaps. 1, 5 and 6 of the second part mentioned above (Tugan-Baranovsky 1954), and in 2000, there has been a translation of two theoretical chapters from the German 1901 edition: on the theory of markets, and on Marx's theory of crises.¹⁷ The English reader is still waiting for a complete edition, and the present author is actually even dreaming of a complete, multilingual variorum edition.

From the first to the third Russian editions, and even if not explicitly stated, there have always been three parts in this work: a historical part, a theoretical part, and a part on the social consequences of the crises. These three parts became explicitly autonomous in the structure of the book only in the last, 3rd Russian edition, and in the French edition. The historical part has been constantly updated to include new facts, but has also been rewritten at the margin. The part on the social consequences of the crises has been much updated for the 2nd Russian edition, and was only slightly touched afterwards. The theoretical part is what underwent the most important modifications. As mentioned above, it has always considered two aspects. For Tugan-Baranovsky, both the theory of markets and the theory of crises are necessary, and they are genetically linked. In the various editions, the theory of markets was improved in a defensive way: because of reactions against it, it has been clarified, and deepened with historical excursus in the theory. The theory of crises did not meet such resistance: it developed its way from an attempt to discover the reasons behind the periodicity of crises in the nineteenth century (and in the historical parts, to describe the various crises in their singularity) to an understanding of the crisis as a phase of a capitalistic cycle up to a full endogenous theory of the cycle as a feature of capitalism (and in the historical parts, it tended to concentrate a bit more on the common features between the crises).¹⁸

How took place the reception of Tugan-Baranovsky's book in the West? In a nutshell, the theory of crises attracted almost no attention in Russia, while it quickly started to disseminate in Germany, even before the German edition. As soon as 1895, there was already a mention to this theory in a book by Bergmann (1895, p. 438). This cannot be explained except by the existence of a proximity between the German and Russian academic worlds since a long time (Rieter et al. 2005). The Western economic academic world was lacking a proper theory to explain the recurrence and the periodicity of crises, and it found in Tugan-Baranovsky exactly what it needed, in terms of internal theoretical developments. Parts and parcels served as the

¹⁶ Apart from English, among the posthumous editions (not in the bibliography below), there has been a fourth (1923) and a fifth Russian edition (1997, reprinted in 2008), some German reeditions and reprints (1969, 2018), and notably two Japanese translations (in 1931 based on the French edition, in 1972 based on the German edition).

¹⁷ See Tugan-Baranovsky (2000a, b) and the preface to their translations (Ramos-Martínez 2000).

¹⁸ This evolution can be followed in parallel with the different entries on «Economic crises» in the *Brockhaus-Efron encyclopedic dictionary*, written by Tugan-Baranovsky in 1895, 1909 and 1915. See Allisson (2011).