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The 20-30s of the 20th Century as a Specific Stage in the History of Development of the Political Economy Science in Azerbaijan

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Abstract

The article has been dedicated to discussions on the subject of political economy in the 20s-30s of the 20th century. Special division of political economy, political-economic understanding of socialism and the system of appropriate principal theoretical propositions formed namely in the 20s-30s of the 20th century. However, the process was accompanied by various polemics and discussions and found its “solution” only after administrative interventions to scientific approaches. The purpose of appealing to historical facts in the article is to draw attention to negative impacts when theoretical approaches are defined not on the basis of objective factors, but according to subjective factors.

Keywords: political economy; economic theory; mechanical philosopher; idealist; Marxist; market theory; political economy of socialism.

Introduction

The term political economy was firstly used by the French mercantilist Antoine de Montchrestien in “the Tractate of Political Economy” in 1615. Political economy occurred and developed in the period when capitalism formed. The first school of political economy is considered mercantilism. Political economy has developed from the 17th century to present time as a large scientific worldview system. Accompanied by discussions and scientific polemics during this period and bearing various ideas from the viewpoint of approach to numerous issues, it changing the content of the political economy notion.

Main purpose of this article is research of specific aspects of the history of development of values of political economy in Azerbaijan economic conceptions. A historical excursion to earlier periods has been done to reach the main purpose – to look through approaches and evaluations which had place in notions of economy of Azerbaijan in the 20s-30s of the 20th century (as in all the USSR). At the mentioned time, necessity of serious changes was a growing reality all over the world including Azerbaijan.

The society passed a transitional period after great political, economical, social, ethical and other perturbations of different content. Traditional soviet economic literature characterizes the abovementioned period as a transitional period from capitalism to socialism. But in parallel with it, countries of America, Europe and Asia needed some “refreshment” in institutes and traditional relations of production, too, which caused experts who researched theoretical problems of economy to put forward various ideas – similar to what happened in other branches of science. It should be noted that during the years subject to this research, serious changes have taken place in all spheres

of the society, including scientific worldview and methodology. Despite that reconsideration of the process has a somewhat retrospective content, it doesn't decrease importance and topicality of the issue, today. Because history is repeated and cyclic character of the development process of societies enables us to assume that historical experience can be useful for solution of the problems that may occur in the future.

On reflection of theoretical issues of economy in economical notions of Azerbaijan in earlier periods

First of all, let's pay attention to ideas of the thinker of the 13th century Nasir-al-din al-Tusi. In his work "Akhlāq-i-nasiri" (a work on ethics) he explained his views on economy in the "house-building" chapter of the work, where he speaks about management of cities. This medieval scholar considered that purposes of the practical wisdom are, together with moral, house-building and town-building. His abovementioned scientific work consists of two parts. The second part is named "**On housekeeping knowledge**" and in its turn, consists of five chapters. Here, main attention is drawn to the notion of "house" – reason of the need for house, its grounds and important aspects. In the special chapter named "**On the policy (management) of collection of goods and food**", N.Tusi expressed his opinion in connection with notions and categories as "money", "goods" and etc. The scholar wrote that for exchange of goods, shopping, rewards, present and etc. there is a need for money (dinar), which is considered as balance, public criterion and "the small conscience" [3, p. 145-148].

As it can be seen, though the term of political economy was not used by Azerbaijani thinkers in the Middle Ages, evaluations were made on different aspects and categories of the science of political economy. At the same time, they paid attention to social-economical realities of the society, regulation of economical relations, as well as the need for existence of systemized approaches and worldviews.

From now on, we need to redirect attention to realities of the 19th century. Because, after being occupied by Russia from beginning of the 19th century, Azerbaijan falls under Russian sphere of influence. Consequently, traditional style of life and worldview gradually undergo serious changes. Naturally, being open to progressive and innovative ideas at all times, advanced Azerbaijani intellectuals could take the positive benefits of the situation, even if they were at the minimum level. From this viewpoint, it can be mentioned that namely from that period Azerbaijani intellectuals began to adopt European ideas through Russian scientific community and society. It is the main reason of increased interest to the science of economy in Azerbaijan in 60-70s of the 19th century. First evaluations on economical issues of that period can be found in educational activities of M.F.Akhundov, H.B.Zerdabi, N.B.Vazirov and etc. Many researchers today think that separation of economical ideas from sociology happened namely during this period.

Despite of absence of political economy notion in literary works of M.F.Akhundov, he has advanced ideas on existence of **the science of policy and administrative institutes**, giving useful advice to statesmen. Akhundov believed that the purpose of economy is meeting the needs of human being, which he classified as following: 1) physical needs, 2) mental needs, 3) spiritual needs. He wrote that physical needs include food, clothing, housing and other facilities of comfort, while mental needs consist of studying sciences and spiritual needs are the love to family and country. Conducting comparisons between western ideas on economy and those of Azerbaijan, analytics consider that at that time sociologists in the West still understood political economy as harmonious formation of state management. Similar approaches existed in the Muslim East, too – the concept of political economy had not been explained according to its classical content as it is accepted now by most of economists today [11, p. 18-19].

Contribution of another Azerbaijani thinker of the 19th century – N.B.Vazirov was that for the first time the term of "political economy" was included in the scientific literature of Azerbaijan in "Ekinchi" newspaper on March 17, 1877. In its first appearance in the newspaper the term referred to collective labour activity and saving working time. N.B.Vazirov attended lectures at the Petrovsky-Razumovsky Academy and had the opportunity to study the materials circulating in editions of scientific communities of Moscow and Saint Petersburg. In his articles he used references from "History of Culture in England" of G.Bockle, "History of Mental Development of Europe" of D.Dreper, including economical opinions of P.Prudoe. N.B.Vazirov believed that development of Europe was possible thanks to the ability of organizing collective labour activities.

Citing the process of production of pin in Europe as an example, he wrote that a craftsman could produce only several pins a day, while thanks to specialization of 10 craftsmen in different spheres of labour process, production of 47.000 pins was possible in enterprises in Europe. In general, elements of mercantilism dominated in his views on economy.

We can read H.B.Zardabi's views on political economy in edition of "Ekinchi" Newspaper dated July 7, 1877. He referred to political economy as commerce. He wrote that, according to commerce, price of each commodity is defined by its buyers; if a product has many buyers, then it has high price. This science teaches us that increasing sales of a product increases the number of producers of the product.

In his evaluations H.B.Zardabi divided more than 40 handicraft production types to three categories. The first category included clay pots, wool socks and other products produced locally. The second category consisted of broadcloth, silk and other products of the same type. These products were generally produced in regions and met demands of the home market. The third category included carpets, weapons and jewellery products, which were sold in home and foreign markets. H.B.Zardabi related slow development of silkworm breeding and other spheres in Azerbaijan, first of all, with psychological factors and traditional production techniques. He believed that development of production and economy is conditioned with businessmen who have ideas on advanced economic practices. He specially emphasized that development of this sphere will increase the demand for people of scientific worldview and professionals specialized in the sphere of commerce. He considered that it was very important to pay more attention to this sphere [11, p. 37-38].

It should be mentioned that thinkers of the 19th century in Azerbaijan considered that profit was the main motive in the process of production, while the standard of profit is measured by quantity of labour of production. All these enable us to say that, since the second half of the 19th century, elements of the classical economical theory gradually gained prestige in evaluation of economical appearances in the society.

Later, in the beginning of the 20th century, there were several other interpretations in the socio-economical notions in Azerbaijan. The large-volume "Turkish-Russian" – "Russian-Turkish" dictionary compiled in 1907 by Azerbaijani publicists and thinkers has definite part concerning this topic. [4, p.10, №3, 1985].

Including up to 2000 terms, the dictionary is composed of 124 pages. It was divided to two parts. The first part consisted of lexicological and semantic explanations on terms, while the second part included Azerbaijani equivalents of Russian terms given in the dictionary. The Turkish-Russian part of the dictionary is 97 pages and the Russian-Turkish part consists of 27 pages. We also can find notes on origins of words (Arabic, Persian, Turkish, French, Latin, Greek, Italian, Russian, English, Hungarian, German, and Polish). Publishers also explained the necessity of composition of such a dictionary: Society keeps developing and changing. Innovations and other similar appearances do not always have proper names (even those of 10 years ago) in our language. For example, some thinkers did not agree to call an ox draught and an automobile with the same name ("araba"). From the other hand, having actually two dictionaries in it (Russian-Turkish and Turkish-Russian), the new dictionary aimed the purpose of facilitating the process of learning the two languages. If to pay attention to content of notions as *politiçeskaya ekonomiya*, *ekonomiya*, *təsərrüfat*, we can assume that these notions can be compared to present similar but different notions as economical theory, public economy and national economy. The abovementioned notions have the following content in the dictionary:

Политическая Экономика – scientific economy – a science involved in explanation of the purpose of earning public and private wealth;

Хозяйство – economy of properties, commodities and houskeeping;

Экономия – a science on economy as earning money [9, 124].

Realities of 1918-1920 also are important and deserve attention from the viewpoint of this research work.

During the Democratic Republic of Azerbaijan, among other professions, preparation of economists and development of the science of economy all over the country was planned by the Ministry of Education. In the beginning of 1918, the Ministry requested the Ministry of Foreign Affairs to address to foreign governments for admission of students from Azerbaijan. Turkey,

Germany, Austria, Hungary and all other European countries, which recognized the new republic, responded to the address positively. Together with students from rich families, the Azerbaijani government took measures for education of students from families with low income. Among those who were sent abroad, there were students who left Azerbaijan for the purpose of higher education in the sphere of economics. At the same time, the State University of Azerbaijan had been founded and opening of the Higher Institute of Agriculture was planned. In both of them training of economics was planned by the Ministry of Education. All these enable us to assume that newly founded by republicans with democratic ideas, the Republic of Azerbaijan in the years 1918-1920 paid great attention to the science of political economy.

The 20s-30s can be mentioned as the next noteworthy stage of economic worldview of Azerbaijan and its society.

In the 20s-30s of the 20th century, as in all the Soviet Union, a serious struggle was going around theoretical issues of economics in Azerbaijan. It included the following: 1) Subject of political economy, 2) The model of socialist economy, the period of transition and the plurality of possession, 3) The role of socialist state, main point and purposes of planning, 4) Main point of commodity-money relations and evaluations on the market economy, 5) Types of economy and discourses on regulatory measures, 6) Ways of development of the country in the future, opinions on problems of economic crisis, 7) Industrialization of the national economy, 8) Agricultural relations and cooperation of agriculture, 9) Salaries and the problem of division of public labour.

As seen above, these years are characterized as the period of serious discussions on multi-spectral economic problems, beginning from scientific methodological approach, subject and object of the science. It should be mentioned here that in the 20s of the 20th century several economists considered that there is no need for the science of political economy after the victory of the proletarian revolution, because political economy only studies the capitalist method of production [8, p. 361-362].

The idea of importance of political economy in conditions of capitalist production relations, commodity fetishism and capitalist economy was supported by scholars as M.Tugan Baranovsky, R.Hilferding, N.Bukharin, R.Luxemburg [12, p.36]. Discussions around this issue became more acute in the years 1927-1929. The reason was a new book of Lenin named "On Bukharin's book of economy of transitional period". The book unambiguously defined that the science of political economy is important for socialism and communism, too. [6, p.3].

It should be mentioned that in Azerbaijan L.A.Ishkov, A.Hilman, M.N.Sobolyev, T.L.Berin, I.G.Sorfonovich, B.Hasanbayov, G.Sultanov and others were involved in discussions on the subject of political economy. These discussions were often published in media organs and press of official institutes, criticizing Trotsky-Bukharin inclined ideas in the first part of the 20s. Considering study of capitalist production relations as the only subject of political economy, scholars as L.A.Ishkov, A.Hilman (who conducted activities in scientific-research centers and higher education institutes of Azerbaijan) had their ideas widely spread among economists. The abovementioned economists assumed that the science of political economy is important where human will and consciousness couldn't rule over economical relations and production underwent influence of spontaneous market forces. They connected the existence of political economy with commodity-capitalist economies and private property. Prof. A.Hilman considered that political economy occurred because of spontaneity of capitalism and there were no economic relations and economic objective laws in a non-capitalist system, because such systems built the process of material production not on the basis of economic relations, but on the basis of its approach to nature (productive forces), ideology and other objective laws. A.Hilman and A.Mammadbayov considered that the purpose of political economy was to change capitalism and there was no need for it after such a change, because its last stage had to be a proletarian revolution in the world. P.P.Fridolin, T.L.Berin and M.Zeynalov believed that political economy had to be studied apart from production relations and productive forces, while Prof. B.Hasanbayov and Y.Spasky cautiously approached to the issue of the object of political economy, though they criticized mechanists [5, p.69-71, №3, 1977; 10, p.78, №1, 1984].

Another Azerbaijani economist G.Sultanov tried in 1929 to explain the essence of political economy in his report named "The subject of Political Economy". H.Dadshov had evaluations on surplus labor, while D.Hepshtein was involved in issues as new economic policy, private capital and trade.

Some economists were not directly involved in the issue of the subject of political economy, however they also put forward ideas on theoretical issues of economy, among which we can list the issues of public and private property, ground rent and others. For example, A.A.Trivus explained several fundamental issues of economic policy in his “Book of Taxes”, which were later used for condemning the scholar in inclination to bourgeois ideology.

Being unable to put forward ideas against the official ideology, economists in Azerbaijan had evaluations on categories typical to political economy of capitalist societies, importance of commodity-money relations in socialism, philosophical and economical explanation of such concepts as relations of production and productive forces.

We can also observe that in the 20s of the 20th century official doctrine of the Union did not accept several approaches of the abovementioned scholars and paid special attention to criticism of such approaches from the viewpoint of its own value criteria.

Here we can pay attention to evaluations on A.Leontyev’s book named “Beginning Course of Political Economy” (**А.Леонтьев, «Начальный курс политической экономики», ГИЗ, 7-е издание, цена 1 руб.**), published in “Bakinsky Rabochy” newspaper on October 19, 1939. It is written in the newspaper that publication of textbooks of political economy has its own history. Only during last revolutions more than 10 Marxist textbooks were published, most of which are worthless and vulgar. Popularization of the ideas in “Capital” is carried out with damages to its revolutionary and scientific content. A.Leontyev’s book is not an exception, from this viewpoint. Instead of solving confusions of political economy, it only makes them more complicated. It marvellously unites Rubin’s idealist system with Bukarin’s “theory of labour expenses”. The biggest shortage of the textbook is total isolation of social form from material content. It presents political economy in a narrow sense as Bukharin and assumes that it only studies relations of production and doesn’t have any relation with movement and development of productive forces. Furthermore, it presents political economy in the spirit of Rubin’s metaphysics and gives the role of development and engineering in ideographic additions. There is an explanation on transition of the organization of labour from one form to another inside an enterprise. For example, transition form of cooperation from manufacture to large scale machine industry, development of bourgeois relations and etc. Another shortage is related to logical explanation of development of categories of political economy. Engels considers this process as historical development. However, the book presents all these as succession of evolution and development process, from logical viewpoint. It also draws our attention with its Rubin-like and scholastic transition from one concept to another. In general, the abovementioned book of Leontyev shows inclination to idealist ideas of Rubin and notions of Bogdanov-Bukharin. [7, №245, 1930].

In parallel, more attention was paid to preparation of textbooks of political economy on the basis of postulates of the official ideology.

Works for training political economy in higher schools of economy began in 1934. H.Dadashov was charged to deliver lectures in this subject in the Institute of Social Economy. The mentioned institute was united in 1937 with Azerbaijan Public Economy Institute. Meanwhile, H.Dadashov prepares a training material of history of political economy for Azerbaijani groups, first part of which (7 pages) was published in 1935 [1, p.108].

At the same time, in 30s H.A.Dadashov, A.A.Nabiyev and Sultanov prepared a manual of political economy (some parts) [2, p.68, №1-2, 1973].

It should be noted that in the 20s-30s special attention in Azerbaijan was paid to translation of materials on political economy from Russian and their publication. A.Bogdanov’s “Scientific Economy in Questions and Answers” (as early as 1922), Almapiyev’s “History of Transport” (1925), V.Motilyov’s “Brief Course of Political Economy” (1926), A.Leontyev’s “Political Economy” (1928), P.Maslov’s “History of Public Economy” (1928) and “Political Economy and the Theory of Economies of the Soviets” (1929) and A.Aykhenvald’s “History of Soviet Economy and theory” were published in Azerbaijani.

Next stage of the development of political economy in Azerbaijan is the 40s-90s of the 20th century. This period is characterized with a process from developed socialist society to fall of the socialist system, when economic process and events were explained on the basis of criteria, methodology and laws of political economy of communism and political economy was presented as a science with two shapes – political economy of capitalism and political economy of socialism.

Today, after fall of socialist system, the science of political economy lost its popularity in the Republic. Nowadays, political theory, history of economic ideas, economic history, econometrics and other branches of economics are more popular in Azerbaijan.

Conclusion

Political economy, the system of scientific worldview formed in relation with theoretic problems of economy has passed definite development stages in Azerbaijan. These are the following: 1) the period until the 19th century, 2) the period from the second part of the 19th century up to the 20s of the 20th century, 3) the 20s-30s of the 20th century, 4) the 40s-80s of the 20th century, 5) Modern period. Naturally, the 20s-30s of the 20th century can be characterized as a specific period from several aspects. All these, first of all, are connected to its performance as a pretentious field of science that explains phenomena of political economy of the transition period and solves its theoretical problems.

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