# UNIT 20 SOCIALISM

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## 20.1 INTRODUCTION

In this unit, we will discuss the following issues: What is it that calls forth the need for socialism? And, what is socialism? Socialism is a set of doctrines or a cluster of ideas and a political programme that emerged at the beginning of the 19th century. It arose out of a revolt against bourgeois property. Property in all "civilized" societies has been considered sacred. (Exceptions were "primitive" communities also known as tribal.) In bourgeois society, it loses it sacredness but gets a new type of sanction; it now becomes an inalienable right. (Inalienable is anything which cannot be separated from the person, something entrenched with the individual.) What then are the implications of property rights as inalienable?

One main objective of the state is taken to be to ensure the liberty ofproperty. Right to private property has been regarded, by much of the liberal theory, as the key to liberty of the individual and to the pursuit of his happiness. To John Locke, the father of liberal view of society, right to "life, liberty and property" is a natural right and human beings enter into a contract to create a state for the protection of this right. From then on, through Adam Smith to Jeremy Bentham and the modern proponents of capitalism (which now has taken an aggressive posture under globalisation in our times) the institution of private property has been politically sacrosanct and an essential condition of social progress.

## 20.2 THE DOCTRINE OF SOCIAL PROGRESS, INDIVIDUALISM AND CAPITALISM

The doctrine of social progress is predicated on the assumption that the perusal of (rational) self-interest by every individual will over a period of time, even if temporary set backs have to be faced, lead to social good. This means that general social welfare will be the result of individual maximization of interest. This prevailing view of the new man was well captured by Alexander Pope in the following verse:

Thus God or nature formed the general frame

And bade self-love and social be the same.

We all know Adam Smith's oft quoted maxim of the "invisible hand." Everyone is not only a maximizer of self-interest, but is an infinite appropriator and an infinite consumer of goods of every kind. Property is the measure of man and in a capitalist society, whichever way one looks at it, all routes converge on property and through it the individual's pursuit of his

happiness. What we get, as a picture of man under such a social arrangement is an egoistic person, dissociated from all other individuals and all by himself in a space called the market place.

This extreme individualism is best captured in the words of John Locke, the father philosopher of liberalism. He says, the state exists to promote civil interest and "civil interest I call life, liberty, inviolability of body, and the possession of such outward things as Money, Lands, Houses, Furniture and the like." ('A Letter Concerning Tolerance'). He then argues that "Though the earth ... be common to all men, yet everyman has a 'property' in his own 'person'. This nobody has a right but himself." (Two Treatises of Government, Ch.: 'Of Property'.) It is clear in the above statement that bourgeois property is exclusively individual and that it legitimates the exclusion of others from it. (In feudal property, other members too had entitlements on the fruits of property.) In this view of things, there is no sense of an individual's social obligation to others or of sharing in the benefits of a social system in the creation of which people cooperate together. In any complex system, even property is the result of the common exertions of people, but its possession is always exclusively private. The common good is identified with the individual good. The individual good is each man for himself. The state has the function to ensure that those who succeed in acquiring property have full protection.

All the means of production (land, factory, raw material, tools and instrument and such other things which go into the production of necessities of life & other goods) in such a society are privately owned. And these get, as history shows, concentrated in fewer and fewer hands as capitalist production is based on (increasing) accumulation. This has two very important consequences for society. First, all decisions about investment choices – which commodities to produce and in what quantities – is determined by a small group of people who own these means of production. Whether the commodity is socially beneficial or not is not the main consideration. What determines the investment choices is whether effective demand can be created. In other words, profitability of goods is the sole consideration in the making of choices about investment. Whether luxury cars will be produced when there is a crying need for buses – public transport – is left to be decided by the profit motive of the individual entrepreneurs; same is the case whether guns or bombs should have precedence over the urgent need to have a hospital or a school. Production in society is without any plan and often can be of a wasteful nature; expensive fatless potato chips can score over the need for cheap bread which ordinary people may badly require. Distribution following from the above investment choices for wrong kind of commodities goes on regardless of social need or urgency of one who can pay.

Secondly, such an economic system or mode of production creates a class freed from social and legal obligations to perform labour. This is the class of capitalists. It stays out of the labour process and imposes the burden of productive labour on the rest of the society. So we have a large part of society, a majority, who live solely on their wages which in turn are determined by the cost of reproducing the labour power of the person as well as the demand and supply of labour. We, thus, find that the capitalist society is sharply divided between those who own the capital and other means of production and those who have nothing but empty hands and sell this labour power under conditions which are loaded against them. Just look around the world to see the truth of this statement.

A society with such a class division cannot respect the person who labours. One who labours is dispossessed as he just survives on the wages he receives. Property and possession is the basis of esteem. All the econoinic privileges, social predominance and prestige are with those

who own the means of production, the capitalists. All of these social assets are means to and provide immediate access to political power. That is why the bourgeoisie in capitalist societies have rightly been called the ruling class, the class with the power to determine the main features of any capitalist society. In sum, we can say that class determines the structure of society, which in turn conditions the values, attitudes, actions, and the overall articulation of any civilization.

So when we talked in the beginning that socialism has been a revolt of sorts against bourgeois property, it was not just property per se, but the entire system of production and government that the bourgeois property gives rise to and imposes on the rest of the society.

## 20.3 SOCIALISM: MEANING AND EARLY STRANDS

What is the shape that this revolt takes; in other words what is socialism? In the early decades of the nineteenth century, the common elements of what was emerging as the socialist outlook were falling in place. There grew the

> .... Conviction that the uncontrolled concentration of wealth and unbridled competition was bound to lead to increasing misery and crises, and that the system must be replaced by one in which the organisation of production and exchange could do away with poverty and oppression and bring about a redistribution of the world's gifts on a basis of equality. (Leszek Kolakowski, Main Currents of Marxism)

Early socialism did not grow into any clear-cut doctrine, but a set of values and beliefs held together by the view that private ownership of production should be replaced. But there was no unanimity about "replaced by what." There were common currents of thinking that some or other form of common ownership of productive property should be the basis of social organisation of society.

Socialism is not against property per se. For example, owning a flat or a refrigerator or driving in one's own car does not militate against the spirit of socialism. All these are consumable items. When socialism talks against the private ownership ofproperty, it means such properly, which is productive and yields profit, or rental income; that is, the private ownership of means of production. Early socialists thought that property is theft. This comes to mean that the owners of means of production cheat the worlcers – the direct producers – of whatever. production which takes place over and above the wages paid to them. This denial of what they produce is theft. The accumulation of this theft is property in the form we see it in our societies. Being a theft it is morally unacceptable. So it must be abolished and as a form, private ownership must be converted into one or another form of common ownership.

The later socialists did not consider property as a theft, but viewed it as the appropriation and accumulation of the surplus value that the worker produces. This process is built into the labour process, which produces goods for exchange in the market. It is, therefore, internal and structural to the capitalist process and this is also instituted in law and is therefore, legal. So it cannot be theft, but is exploitation and nevertheless remains, from a normative point of view, illegitimate and unacceptable. Therefore, they agreed with the early socialists that it must abolished and common social ownership instituted. This common notion about the unwelcome nature of private ownership of the means of production and following on that, the idea of one

or another form of common ownership is what unites the socialists, anyone who agrees with these views is a socialist, whatever else their differences. This common outlook is well summed up in the following words. Socialism is:

> "That organisation of society in which the means of production are controlled, and the decisions on how and what to produce and on who is to get what, are made by public authority instead of by privately-owned and privately managed firms". (Joseph A. Schumpeter, Capitalism, Socialism and Democracy.)

Within these broad agreements, it is the differences about (a) how does one replace capitalisin and (b) what exactly is the version of social ownership, which, create so many different schools of socialism. There is finally the all important question of how does one arrive at socialism; in other words, who will bring it about. In lookingat these questions, we will know the different versions or schools of socialism.

In the aftermath of the French Revolution of 1789, two important features changed in the way people related to the world. The French revolution put into the shape of political agenda, the theories of Enlightenment and it furthermore, enthroned the value of equality (and fraternity) as of the same importance as liberty and thus, egalitarianism became a creed with the masses. The second momentous development was the fast emerging working class all over western Europe in the wake of the Industrial Revolution, a class large and growing in number but living in deep misery.

Early socialism grew as a popular movement with a festive play of ideas. The earliest of the voices were those of Robert Owen (1771-1858), Saint – Simon (1760-1825), Charles Fourier (1772-1837) and Proudhon (1809-65) and many lesser figures. But it was only with Karl Marx (1818-1883) that a general theory of socialism emerged which could rival those of Adam Smith or Ricardo about capitalism. The ideas and prescriptions of these men were very different, but there was a general accent, which was common. An emphasis on social as against individual, cooperation as against selfishness or egoism, cooperative activity as against competition; they all agreed private ownership and market competition is bad for common good and that inspite of large increases in production, there has been no social progress. Social progress as society-wide happiness can come about only with the removal of the criteria of profit and its replacement by a system of rewards based on moral adequacy of claims.

Robert Owen was the first to use the word Socialist in 1827 in his Cooperative Magazine. He was a self-made Scottish Cotton Manufacturer who believed Industry-Factory could work as the liberator of mankind from poverty and ignorance. This could happen only if, as he showed, production is organised on cooperative principles and not on competition. He carried on many experiments in cooperative organisation of production. On a nation wide scale, only the state could do it. He also believed that human nature could be transformed, if environment could be reconstructed. In this reconstructed environment, education would be a powerful conditioning influence. He also advocated the formation by public authorities of "villages of cooperation" to put the unemployed to work. He looked at cooperation not merely as a better alternative to competition in production, but also looked at it as a way for moral improvement of human beings. Owen was also a strong advocate of the right to work. He addressed memorials to the heads of states of Europe in 1817 urging them to implement his new proposals so that an 'age of plenty' could be ushered in for the human race. He ideas caught the imagination of the working classes in Britain who moved on to build popular movements around his ideas leading eventually to the formation of trade unions which in his times, were considered illegal.

A different socialist vision emerged from Charles Fourier who came from a merchant family made impoverished during the French Revolution. Waste, inefficiency, boredom, and inequality of modern work appalled Fourier. His main interest was in making work pleasant and adjusted to the character of the individual. Therefore, he found division of labour unacceptable because it broke up work into minute repetitive operations. Unlike Robert Owen, he did not believe in the efficacy of big industry. Work should be concentrated in the countryside and small shops in towns where family life can be lived in communities and where all can know each other. Work can be varied and enjoyable only if competition is eliminated and organised in cooperatives of small producers. Goods should be well crafted and good to look at and made to last. He, therefore, opposed large industry, which he felt threatened individuality and the pleasure of work. He was a spokesman of the fast dwindling craft manufacturers who conceived and executed work all by themselves, unlike in modern industry where conception and execution of work is separated from each other.

Saint-Simon was, in contrast to Fourier, a man of science, industry and large administration. He was Rousseauian in spirit in that he believed the common man of work to be good, honest and virtuous. He disliked both aristocrats (corrupt) and scholars (arrogant) may be because he came from an impoverished junior branch of an aristocratic family. He was all for people's causes. He fought in the American War of Independence and strongly supported the French Revolution. Like Owen, he was a great believer in science, technology and Industry. The nineteenth century, he foresaw as the era of science and industry from which will follow the unity of mankind and the prosperity of (wo)man. But in contradiction to his distrust of scholars as arrogant, he believed that social reconstruction should follow the advice of what he called 'luminaries' – a learned elite. They must work towards the redesigning of social institutions with the aim of moral, intellectual and physical improvement of the poorest who also happen to be the most numerous class in society. In all of this, the state has to play a central role. The state must find work for all because all are capable of and want to work. What made him a socialist was his conviction that there is room only for one class in society, the workers. Wages should be according to one's capacity to work for the good of society. The non-workers are layouts and should be weeded out. Through state control of education and propaganda, the state should seek to bring about harmony.

Another very important figure among the early socialists was Proudhon. He was the one who explicitly referred to property as theft and also had a very polemical argument with Marx on the nature of property and poverty. He wrote a book called Philosophy of Poverty to which Marx replied with Poverty of Philosophy, pointing to the inadequacies of his philosophical convictions. One central concern of Proudhon wns the importance of liberty of the ordinary people. He thought that the greatest obstacle in the way of realisation of liberty is inequality. So we can say that equality was sought by Proudhan as a precondition of liberty and in that sense, he is in tune with modern radical ideas. An equalitarian ethos, Proudhan believed, can only be achieved in a classless society, but he shunned the idea of classwar for social change. Voluntary agreement of the working people should lead the way towards a classless society. He advocated a nation wide system of decentralised workers cooperatives, which can bargain with one another for mutual exchange of goods and services. At the apex, constituent assemblies of these cooperatives should define the nature of the state, which in effect meant that the bourgeois oppressive state will cease to be.

It is clear from the exposition of the views of the four leading exponents, there were many lesser ones too, that 'early socialism', was not any kind of theory, but a festive play of ideas

against capitalism arid all that it represented. Many of these ideas are still around us, in different garbs and exercise considerable influence. Marx was both critical and appreciative of these' writings on socialism. He critically referred to them as purely "Utopian" in character. What is utopian about these, for Marx? There is, first of all, no conception of "revolutionary action." What are the forces within the, capitalist society who will fight to replace it and how they will fight? Instead what we have, secondly, is an assortment of vague and diffuse ideas. All the early socialists were sceptical of class struggle waged by the working class. They all talked of, as we have seen above, voluntary agreements, change of heart, propaganda and practical carrying out of social plans, personal inventive actions, small experiments expanding into society-wide activity, even while all agreed that the working class is the most suffering class, but that the entire society be convinced through peaceful means of the need to replace capitalism without distinction of class. Marx thought that it would be impossible to bring about socialism by such means. But he appreciated tlie contribution of these writers. He thought that by these "instinctive yearning for the reconstruction" of society, these early thinkers had succeeded in creating an atmosphere in favour of socialism. Moreover. as Marx remarked in the Communist Manifesto, these ideas became 'valuable materials for enlightenment of the working class'. So Marx's attitude was one of criticism without being dismissive as happened with many later Marxists.

## 20.4 KARL MARX AND SOCIALISM

Marx's importance in the history of the struggle for socialism lies in the fact that he was the first man who could propound a theory of socialism, which could, as noted earlier, rival and stand on an equal footing with the theory of capitalism developed by Ricardo and Adam Smith. Marx did not simply propound a theory in the old style, but developed a doctrine which unified, or at least so he claimed, theory with practice such that theory could guide practice and practice could rectify the errors in theory. In short, what Marx did was to build up a theory of revolutionary action identifying the class, which will carry out the revolutionary task of replacing capitalism with socialism.

In a general historical theory of, in what has now come to be known as historical materialism, (a) why and how human societies change, and (b) what further changes are in store for human society, Marx showed that historical change is neither accidental nor a result of sheer will; that it has laws which are dialectical. Contradiction is the essence of dialectics. This contradiction is not logical (like incompatibilities in an argument) but an inner attribute of reality. Social reality is more discernibly marked by this inner contradiction. (In contradistinction to logical, let us call contradiction, in Marxian view, as ontological.) This fact of contrary pulls or oppositions within a reality impels a movement in reality. In other words, society changes because of its inner contradictory pulls towards evolving stages. Like in other earlier stages (feudalism for example), so in capitalism, it is its internal contradictions which propel it towards change into something else. I-low?(What are dialectics and their laws and the exact working of this, etc. we have discussed in another unit on Marxism.)

Every mode of production (sum total of forces and relations of production) gives rise to two classes, in perpetual opposition to each other. One is the ruling or the exploiting class and the other is the oppressed or the exploited class. The constant conflict and opposition between these two classes to get the better of the other is class struggle. Marx remarks in the very beginning of Communist Manifesto that "The history of all hitherto existing society is the history of class struggle." He then goes on to remark:

> Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature: it has simplified the class antagonisms. Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other: Bourgeoisie and proletariat. (Manifesto)

So, one pole of the Marxist structure of theory is class struggle.

It was in terms of this that Marx had concluded after a very detailed study of the capitalist mode of production (in Capital, Vol.1) that contradictions within it would go on intensifying leading to increasingly intense struggle between the capitalists and the working class. This would give rise to a revolutionary consciousness among the workers and teach them that only a take over of power from the minority of capitalists could create conditions to free the working class from exploitation and lead to the emancipation of society.

All this sounds neat, and on the face of it, is persuasive too. But it begs the question. What needs an answer is; why should the contradiction intensify so much that the proletariat will feel compelled to overthrow the bourgeois rule and institute its own in place of that? There is an elaborate answer for this in Marx, which is what makes Marx claim that his system is scientific. (But it is not easy to summarise, still an outline is required to complete the answer.)

This then takes us to the second pole of Marxian analyses. which looks at the future of class struggle from the view point of the process of accumulation of capital and the rate of exploitation. These two are internally related to each other. There is first the appropriation of surplus value (S.V.) from the labourer. The labourer who is given a wage is paid at the cost of reproducing his labour power, that is, what it costs to buy the subsistence goods for living. In other words, the labour power of the worker is bought in the same way as any other commodity, say iron or cloth or whatever else is needed to produce further goods, i.e. at the cost of its production. So labour power is like a commodity among other commodities. It has been. established that he reproduces that much of value in 4/5 hours of work, whereas a worker normally works for 8/10 hours. The extra hours of work that he puts in is the basis ofadditional value that he produces which is appropriated by the capitalist. This Marx calls exploitation, a built-in structural and relational feature of capitalist production, which has nothing to do with cheating or theft. It is legal and necessary For capitalism.

Such a process goes on along with improvements in the technical means of production. Over a long period of time, the cost of machinery and other fixed capital – known as Constant Capital (C.C.) becomes more and more expensive in relation to the cost of hiring labour power – referred to as Variable Capital (V.C.). In other words, in the overall (composition) of capital, there is an increase in the relative importance of C.C. vis-à-vis V.C. This goes on as the capitalist mode of production progresses. This Marx shows leads to the centralisation of capital; that is, the ownership of capital gets into fewer and fewer hands; the big fish eating the small ones, as we popularly hear. This Marx further shows leads to a fall in the rate of profit. To compensate for this. the capitalist tries to intensify exploitation, which means he tries to increase the rate of exploitation and this is resisted by the workers. This results in the impoverishment of the working class in relative as well as absolute terms vis-8-vis the capital ist. This Marx demonstrates will necessarily lead to greater and greater class struggles leading eventually to the overthrow of capitalism and the capture of power by the workers. That is why Marx could say in the *Manifesto* that "What the bourgeoisie therefore produces, above all, are its own grave-diggers." The first stage of the working class rule is the establishment of

the dictatorship of the proletariat which prepares the way for the establishment of socialism which then paves the way for communism – the stage where everyone works according to capacity and takes according to need; the world of choice.

## 20.5 CRITIQUES OF MARXISM AND DEMOCRATIC SOCIALISM

At the end of the unit, it is important to look at a two way challenge to Marxism that emerged at the end of the 19th century. This took the shape, during the course of the 20th century, to evolutionary or "democratic" socialism. (Many other versions like Guild Socialism and Syndicalism and so on are also there, but we will not deal with these as these are by now unimportant and can also be easily read in any chapter on socialism in a standard theory book).

When the workers' revolution did not take place, as Marx had foreseen that it soon will, there emerged strong reservations about Marxism as a body of doctrines. One who expressed this in systematic terms was a long time German Marxist Eduard Bernstein. In a book entitled Evolutionary Socialism, lie elaborated a wholly different route to and tactics for achieving a socialist society. The other line of development took shape not because revolution did not come about, but because a large group of British Socialists had intrinsic reservations about Marxism. They thought that some of its goals and methods and tactics will result in authoritarian, despotic politics. They took exceptions to goals like the dictatorship of the proletariat, class warfare, violent overthrow of capitalism etc. To further an alternative way of achieving socialism together with strengthening democracy, leading socialists formed themselves into a Fabian Society in the middle of the 1880's and this version eventually came to be known as Fabian Socialism. Important names within this tradition are Sydney and Beatrice Webb, G.D.H. Cole, Bernard Shaw, Laski, Tawney, and many others. (Remember that some leading Indian nationalist leaders Icd by Nehru during the Freedom Struggle were deeply influenced by this current and which after independence gave birth to in the middle of 1950's to the idea of "Socialist Pattern of Society.")

Bernstein argued that tlie wages of workers are not falling but are, relatively rising because the rate of profit is not, as Marx argued, decliningand therefore, the expected impoverishments of the workers and the consequent uprising will not come about. Rather, the workers would get more and more integrated into the capitalist system. Hence, the need is to work within the capitalist system by accepting its institutional framework of parliament, elections, open political activity and thereby, striving to improve the condition of the working class. The class of workers has already become the majority and by proper organisation, it is now possible to win a majority in parliament and strive towards socialist ideals. In short, they declared that there is no need for revolution. (This viewpoint came to be termed, in organised Marxism, as 'revisionism' and 'reformism', a pejorative way of referring to those who abdicated their responsibility of working for the revolution.)

Through the different routes, these two critiques of Marxism came to similar conclusions, which can be stated as the core tenets of "democratic socialism". Four of these deserve a mention. First, socialisin is not as Marx thought a historical necessity or inevitable but a moral need for the good of humanity. Humanity can realise its potential only within a radical egalitarian ethos. Far this to happen, people will have to be won over for socialism and parliamentary majorities gained by carrying political education among the masses. It is,

theretore, important to realise, secondly, that in a transition to socialism it is not only the working class, but the entire people who will play a part; working class as the predominant part of the world will no doubt be strategic. But middle classes too can be imbued with socialist ideas and can play a major role .in building public opinion.

Thirdly, the route to socialism will not be through a violent rupture, as Marx thought, but would be by a gradual ascent. In this, by degrees, through closely interconnected legislative measures, the structure of socialist economy can be put in place. Equal opportunity of effective participation in the running of the state, cooperation rather than competition, equality to fully develop human personality and similar other values will become norms of society. And, lastly, the state will remain an institution ofstrategic importance. Through a series of nationalisation measures, the state will ensure that the private ownership of the means of production will be socialised; that is, different forms of state and cooperative ownerships in industry and public services like health care, education, electricity, railways, etc., will be instituted. Every body will thus have equal access and entitlement to goods and services. That is how the planned economy of public ownership of the means of production together with the deepening of democracy and freedom of intellect will be the way for the emancipation of humanity.

Socialism is no simple, monolithic doctrine like Soviet communism was. It represents a variation upon variation, a multiplicity of viewpoints but, as we have seen, sharing some core assumptivns and presuppositions. One such presupposition is that every human being is capable of making an equal contribution to the common good and this can only be done when human beings exert together for common welfare. Socialism is a special form of democracy which extends the idea of freedom from civil and political rights to equal claims on economic well-being and social status and this can only be achieved when human beings cease to be egoistically competitive as under capitalism. So long as capitalism is there with its exploitation and disregard for human dignity in favour of efficiency of production and market equilibrium, the yearning for socialism will be there; the revolt against bourgeois property will not come to an end.

## 20.6 EXERCISES

1) Explain what is socialism.

2) Write an essay on the doctrine of social progress in the context of individualism and capitalism.

3) Discuss any two early trends in socialism.

4) Discuss Karl Marx's Theory of socialism.

5) Examine the critiques of Marxism.

6) Describe the salient features of Democratic Socialism.