

## CHAPTER



# Socialism

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## Preview

The term 'socialist' derives from the Latin *sociare*, meaning to combine or to share. Its earliest known usage was in 1827 in the UK, in an issue of the *Co-operative Magazine*. By the early 1830s, the followers of Robert Owen in the UK and Henri de Saint-Simon in France had started to refer to their beliefs as 'socialism' and, by the 1840s, the term was familiar in a range of industrialized countries, notably France, Belgium and the German states.

Socialism, as an ideology, has traditionally been defined by its opposition to capitalism and the attempt to provide a more humane and socially worthwhile alternative. At the core of socialism is a vision of human beings as social creatures united by their common humanity. This highlights the degree to which individual identity is fashioned by

social interaction and the membership of social groups and collective bodies. Socialists therefore prefer cooperation to competition. The central, and some would say defining, value of socialism is equality, especially social equality. Socialists believe that social equality is the essential guarantee of social stability and cohesion, and that it promotes freedom, in the sense that it satisfies material needs and provides the basis for personal development. Socialism, however, contains a bewildering variety of divisions and rival traditions. These divisions have been about both 'means' (how socialism should be achieved) and 'ends' (the nature of the future socialist society). For example, communists or Marxists have usually supported revolution and sought to abolish capitalism through the creation of a classless society based on the common ownership of wealth. In contrast, democratic socialists or social democrats have embraced gradualism and aimed to reform or 'humanize' the capitalist system through a narrowing of material inequalities and the abolition of poverty.

## Origins and development

Although socialists have sometimes claimed an intellectual heritage that goes back to Plato's *Republic* or Thomas More's *Utopia* ([1516] 1965), as with liberalism and conservatism, the origins of socialism lie in the nineteenth century. Socialism arose as a reaction against the social and economic conditions generated in Europe by the growth of industrial capitalism (see p. 97). Socialist ideas were quickly linked to the development of a new but growing class of industrial workers, who suffered the poverty and degradation that are so often features of early industrialization. Although socialism and liberalism have common roots in the Enlightenment, and share a faith in principles such as reason and progress, socialism emerged as a critique of liberal market society and was defined by its attempt to offer an alternative to industrial capitalism.

The character of early socialism was influenced by the harsh and often inhuman conditions in which the industrial working class lived and worked. Wages were typically low, child and female labour were commonplace, the working day often lasted up to twelve hours and the threat of unemployment was ever-present. In addition, the new working class was disorientated, being largely composed of first-generation urban dwellers, unfamiliar with the conditions of industrial life and work, and possessing few of the social institutions that could give their lives stability or meaning. As a result, early socialists often sought a radical, even revolutionary alternative to industrial capitalism. For instance, Charles Fourier (1772–1837) in France and Robert Owen (see p. 124) in the UK subscribed to **utopianism** in founding experimental communities based on sharing and cooperation. The Germans Karl Marx (see p. 124) and Friedrich Engels (1820–95) developed more complex and systematic theories, which claimed to uncover the 'laws of history' and proclaimed that the revolutionary overthrow of capitalism was inevitable.

In the late nineteenth century, the character of socialism was transformed by a gradual improvement in working-class living conditions and the advance of political democracy. The growth of trade unions, working-class political parties and sports and social clubs served to provide greater economic security and to integrate the working class into industrial society. In the advanced industrial societies of western Europe, it became increasingly difficult to continue to see the working class as a revolutionary force. Socialist political parties progressively adopted legal and constitutional tactics, encouraged by the gradual extension of the vote to working-class men. By World War I, the socialist world was clearly divided between those

### UTOPIANISM

A belief in the unlimited possibilities of human development, typically embodied in the vision of a perfect or ideal society, a utopia (see p. 143).

socialist parties that had sought power through the ballot box and preached reform, and those that proclaimed a continuing need for revolution. The Russian Revolution of 1917 entrenched this split: revolutionary socialists, following the example of V. I. Lenin (see p. 124) and the Bolsheviks, usually adopted the term

## Key concept

# Capitalism

Capitalism is an economic system as well as a form of property ownership. It has a number of key features. First, it is based on generalized commodity production, a 'commodity' being a good or service produced for exchange – it has market value rather than use value. Second, productive wealth in a capitalist economy is

predominantly held in private hands. Third, economic life is organized according to impersonal market forces, in particular the forces of demand (what consumers are willing and able to consume) and supply (what producers are willing and able to produce). Fourth, in a capitalist economy, material self-interest and maximization provide the main motivations for enterprise and hard work. Some degree of state regulation is nevertheless found in all capitalist systems.

'**communism**', while reformist socialists described their ideas as either 'socialism' or '**social democracy**'.

The twentieth century witnessed the spread of socialist ideas into African, Asian and Latin American countries with little or no experience of industrial capitalism. Socialism in these countries often developed out of the anticolonial struggle, rather than a class struggle. The idea of class exploitation was replaced by that of colonial oppression, creating a potent fusion of socialism and nationalism, which is examined more fully in Chapter 5. The Bolshevik model of communism was imposed on eastern Europe after 1945; it was adopted in China after the revolution of 1949 and subsequently spread to North Korea, Vietnam, Cambodia and elsewhere. More moderate forms of socialism were practised elsewhere in the developing world; for example, by the Congress Party in India. Distinctive forms of African and Arab socialism also developed, being influenced respectively by the communal values of traditional tribal life and the moral principles of Islam. In Latin America in the 1960s and 1970s, socialist revolutionaries waged war against military dictatorships, often seen to be operating in the interests of US imperialism. The Castro regime, which came to power after the Cuban revolution of 1959, developed close links

with the Soviet Union, while the Sandinista guerrillas, who seized power in Nicaragua in 1979, remained non-aligned. In Chile in 1970, Salvador Allende became the world's first democratically elected Marxist head of state, but was overthrown and killed in a CIA-backed coup in 1973.

Since the late twentieth century, socialism has suffered a number of spectacular reverses, leading some to proclaim the 'death of socialism'. The most dramatic of these reverses was, of course, the collapse of communism in the eastern European revolutions of 1989–91. However, rather than socialists uniting around the principles of western social democracy,

### COMMUNISM

The principle of the common ownership of wealth, or a system of comprehensive collectivization; communism is often viewed as 'Marxism in practice' (see p. 114).

### SOCIAL DEMOCRACY

A moderate or reformist brand of socialism that favours a balance between the market and the state, rather than the abolition of capitalism.

these principles were thrown into doubt as parliamentary socialist parties in many parts of the world embraced ideas and policies that are more commonly associated with liberalism or even conservatism. The final section of this chapter looks at the extent to which these events were linked to globalization (see p. 20) and considers the extent to which socialist ideology has been radicalized in response to the 2007–9 global financial crisis.

## Core themes: no man is an island

One of the difficulties of analysing socialism is that the term has been understood in at least three distinctive ways. From one point of view, socialism is seen as an economic model, usually linked to some form of collectivization and planning. Socialism, in this sense, stands as an alternative to capitalism, the choice between these two qualitatively different productive systems traditionally being seen as the most crucial of all economic questions. However, the choice between ‘pure’ socialism and ‘pure’ capitalism was always an illusion, as all economic forms have, in different ways, blended features of both systems. Indeed, modern socialists tend to view socialism not so much as an alternative to capitalism, but as a means of harnessing capitalism to broader social ends. The second approach treats socialism as an instrument of the labour movement. Socialism, in this view, represents the interests of the working class and offers a programme through which the workers can acquire political or economic power. Socialism is thus really a form of **‘labourism’**, a vehicle for advancing the interest of organized labour. From this perspective, the significance of socialism fluctuates with the fortunes of the working-class movement worldwide. Nevertheless, though the historical link between socialism and organized labour cannot be doubted, socialist ideas have also been associated with skilled craftsmen, the peasantry and, for that matter, with political and bureaucratic elites. That is why, in this book, socialism is understood in a third and broader sense as a political creed or ideology, characterized by a particular cluster of ideas, values and theories. The most significant of these are:

### LABOURISM

A tendency exhibited by socialist parties to serve the interests of the organized labour movement rather than pursue broader ideological goals.

- community
- cooperation
- equality
- class politics
- common ownership.

## Community

At its heart, socialism offers a unifying vision of human beings as social creatures, capable of overcoming social and economic problems by drawing on the power of the community rather than simply individual effort. This is a collectivist vision

because it stresses the capacity of human beings for collective action, their willingness and ability to pursue goals by working together, as opposed to striving for personal self-interest. Most socialists, for instance, would be prepared to echo the words of the English metaphysical poet, John Donne (1571–1631):

No man is an Island entire of itself;  
 every man is a piece of the Continent, a part of the main . . .  
 any man's death diminishes me, because I am involved in Mankind; and therefore never send to know for whom the bell tolls;  
 it tolls for thee.

Human beings are therefore 'comrades,' 'brothers' or 'sisters,' tied to one another by the bonds of a common humanity. This is expressed in the principle of **fraternity**.

Socialists are far less willing than either liberals or conservatives to assume that human nature is unchanging and fixed at birth. Rather, they believe that human nature is malleable or 'plastic,' shaped by the experiences and circumstances of social life. In the long-standing philosophical debate about whether 'nurture' or 'nature' determines human behaviour, socialists side resolutely with nurture. From birth – perhaps even while in the womb – each individual is subjected to experiences that mould and condition his or her personality. All human skills and attributes are learnt from society, from the fact that we stand upright to the language we speak. Whereas liberals draw a clear distinction between the 'individual' and 'society,' socialists believe that the individual is inseparable from society. Human beings are neither self-sufficient nor self-contained; to think of them as separate or atomized 'individuals' is absurd. Individuals can only be understood, and understand themselves, through the social groups to which they belong. The behaviour of human beings therefore tells us more about the society in which they live and have been brought up, than it does about any abiding or immutable human nature.

#### FRATERNITY

Literally, brotherhood; bonds of sympathy and comradeship between and among human beings.

The radical edge of socialism derives not from its concern with what people are like, but with what they

## Key concept Collectivism

Collectivism is, broadly, the belief that collective human endeavour is of greater practical and moral value than individual self-striving. It thus reflects the idea that human nature has a social core, and implies that social groups, whether 'classes,' 'nations,' 'races' or whatever, are meaningful political entities. However, the term is used with little

consistency. Mikhail Bakunin (see p. 153) and other anarchists used collectivism to refer to self-governing associations of free individuals. Others have treated collectivism as strictly the opposite of individualism (see p. 27), holding that it implies that collective interests should prevail over individual ones. It is also sometimes linked to the state as the mechanism through which collective interests are upheld, suggesting that the growth of state responsibilities marks the advance of collectivism.

have the capacity to become. This has led socialists to develop utopian visions of a better society, in which human beings can achieve genuine emancipation and fulfilment as members of a community. African and Asian socialists have often stressed that their traditional, preindustrial societies already emphasize the importance of social life and the value of community. In these circumstances, socialism has sought to preserve traditional social values in the face of the challenge from western individualism (see p. 27). As Julius Nyerere, president of Tanzania 1964–85, pointed out, ‘We, in Africa, have no more real need to be “converted” to socialism, than we have of being “taught” democracy.’ He therefore described his own views as ‘tribal socialism.’

In the West, however, the social dimension of life has had to be ‘reclaimed’ after generations of industrial capitalism. This was the goal of nineteenth-century utopian socialists such as Charles Fourier and Robert Owen, who organized experiments in communal living. Fourier encouraged the founding of model communities, each containing about 1,800 members, which he called ‘phalansteries’. Owen also set up a number of experimental communities, the best known being New Harmony in Indiana, 1824–9. The most enduring communitarian experiment has been the *kibbutz* system in Israel, which consists of a system of cooperative, usually rural, settlements that are collectively owned and run by their members. However, the communitarian emphasis of the *kibbutz* system has been substantially diluted since the 1960s by, for instance, the abandonment of collective child rearing.

## Cooperation

If human beings are social animals, socialists believe that the natural relationship among them is one of **cooperation** rather than competition. Socialists believe that competition pits one individual against another, encouraging each of them to deny or ignore their social nature rather than embrace it. As a result, competition fosters only a limited range of social attributes and, instead, promotes selfishness and aggression. Cooperation, on the other hand, makes moral and economic sense. Individuals who work together rather than against each other develop bonds of sympathy, caring and affection. Furthermore, the energies of the community rather than those of the single individual can be harnessed. The Russian anarchist Peter Kropotkin (see p. 153), for example, suggested that the principal reason why the human species had survived and prospered was because of its capacity for ‘mutual aid’. Socialists believe that human beings can be motivated by moral incentives, and not merely by material incentives. In theory, capitalism rewards individuals for the work they do: the harder they work, or the more abundant their skills, the greater their rewards will be. The moral incentive to work hard, however, is the desire to contribute to the common good, which

### COOPERATION

Working together; collective effort intended to achieve mutual benefit.

develops out of a sympathy, or sense of responsibility, for fellow human beings, especially those in need. While few modern social democrats would contemplate the outright abolition of material incentives,

they nevertheless insist on the need for a balance of some kind between material and moral incentives. For instance, socialists would argue that an important incentive for achieving economic growth is that it helps to finance the provision of welfare support for the poorest and most vulnerable elements in society.

The socialist commitment to cooperation has stimulated the growth of cooperative enterprises, designed to replace the competitive and hierarchic businesses that have proliferated under capitalism. Both producers' and consumers' cooperatives have attempted to harness the energies of groups of people working for mutual benefit. In the UK, cooperative societies sprang up in the early nineteenth century. These societies bought goods in bulk and sold them cheaply to their working-class members. The 'Rochdale Pioneers' set up a grocery shop in 1844 and their example was soon taken up throughout industrial England and Scotland. Producer cooperatives, owned and run by their workforce, are common in parts of northern Spain and the former Yugoslavia, where industry is organized according to the principle of workers' self-management. Collective farms in the Soviet Union were also designed to be cooperative and self-managing, though in practice they operated within a rigid planning system and were usually controlled by local party bosses.

## Equality

A commitment to equality is in many respects the defining feature of socialist ideology, equality being the political value that most clearly distinguishes socialism from its rivals, notably liberalism and conservatism. Socialist **egalitarianism** is characterized by a belief in social equality, or equality of outcome. Socialists have advanced at least three arguments in favour of this form of equality. First, social equality upholds *justice* or fairness. Socialists are reluctant to explain the inequality of wealth simply in terms of innate differences of ability among individuals. Socialists believe that just as capitalism has fostered competitive and selfish behaviour, human inequality very largely reflects the unequal structure of society. They do not hold the naïve belief that all people are born identical, possessing precisely the same capacities and skills. An egalitarian society would not, for instance, be one in which all students gained the same mark in their mathematics examinations. Nevertheless, socialists believe that the most significant forms of human inequality are a result of unequal treatment by society, rather than unequal endowment by nature. Justice, from a socialist perspective, therefore demands that people are treated equally (or at least more equally) by society in terms of their rewards and material circumstances. Formal equality, in its legal and political senses, is clearly inadequate in itself because it disregards the structural inequalities of the capitalist system. Equality of opportunity, for its part, legitimizes inequality by perpetuating the myth of innate inequality.

### **EGALITARIANISM**

A theory or practice based on the desire to promote equality; egalitarianism is sometimes seen as the belief that equality is the primary political value.



## PERSPECTIVES ON... EQUALITY

**LIBERALS** believe that people are ‘born’ equal in the sense that they are of equal moral worth. This implies formal equality, notably legal and political equality, as well as equality of opportunity; but social equality is likely to threaten freedom and penalize talent. Whereas classical liberals emphasize the need for strict meritocracy and economic incentives, modern liberals argue that genuine equal opportunities require relative social equality.

**CONSERVATIVES** have traditionally viewed society as naturally hierarchical and have thus dismissed equality as an abstract and unachievable goal. Nevertheless, the New Right evinces a strongly individualist belief in equality of opportunity while emphasizing the economic benefits of material inequality.

**SOCIALISTS** regard equality as a fundamental value and, in particular, endorse social equality. Despite shifts within social democracy towards a liberal belief in equality of opportunity, social equality, whether in its relative (social democratic) or absolute (communist) sense, has been seen as essential to ensuring social cohesion and fraternity, establishing justice or equity, and enlarging freedom in a positive sense.

**ANARCHISTS** place a particular stress on political equality, understood as an equal and absolute right to personal autonomy, implying that all forms of political inequality amount to oppression. Anarcho-communists believe in absolute social equality achieved through the collective ownership of productive wealth.

**FASCISTS** believe that humankind is marked by radical inequality, both between leaders and followers and between the various nations or races of the world. Nevertheless, the emphasis on the nation or race implies that all members are equal, at least in terms of their core social identity.

**FEMINISTS** take equality to mean sexual equality, in the sense of equal rights and equal opportunities (liberal feminism) or equal social or economic power (socialist feminism) irrespective of gender. However, some radical feminists have argued that the demand for equality may simply lead to women being ‘male-identified’.

**GREENS** advance the notion of biocentric equality, which emphasizes that all life forms have an equal right to ‘live and blossom’. Conventional notions of equality are therefore seen as anthropocentric, in that they exclude the interests of all organisms and entities other than humankind.

Second, social equality underpins *community* and cooperation. If people live in equal social circumstances, they will be more likely to identify with one another and work together for common benefit. Equal outcomes therefore strengthen social solidarity. Social inequality, by the same token, leads to conflict and instability. This also explains why socialists have criticized equality of opportunity for

breeding a 'survival of the fittest' mentality. R. H. Tawney (see p. 125), for example, dismissed the idea of equal opportunities as a 'tadpole philosophy', emphasizing the tiny proportion of tadpoles that develop into frogs.

Third, socialists support social equality because they hold that *need-satisfaction* is the basis for human fulfilment and self-realization. A 'need' is a necessity: it *demand*s satisfaction; it is not simply a frivolous wish or a passing fancy. Basic needs, such as the need for food, water, shelter, companionship and so on, are fundamental to the human condition, which means that, for socialists, their satisfaction is the very stuff of freedom. Marx expressed this in his communist theory of distribution: 'From each according to his ability, to each according to his needs.' Since all people have broadly similar needs, distributing wealth on the basis of need-satisfaction clearly has egalitarian implications. Nevertheless, need-satisfaction can also have inegalitarian implications, as in the case of so-called 'special' needs, arising, for instance, from physical or mental disability.

While socialists agree about the virtue of social and economic equality, they disagree about the extent to which this can and should be brought about. Marxists and communists believe in *absolute* social equality, brought about by the abolition of private property and **collectivization** of productive wealth. Perhaps the most

#### COLLECTIVIZATION

The abolition of private property and the establishment of a comprehensive system of common or public ownership, usually through the mechanisms of the state.

#### PROGRESSIVE TAXATION

A system of taxation in which the rich pay a higher proportion of their income in tax than the poor.

famous experiment in such radical egalitarianism took place in China under the 'Cultural Revolution' (see p. 104). Social democrats, however, believe in *relative* social equality, achieved by the redistribution of wealth through the welfare state and a system of **progressive taxation**. The social-democratic desire to tame capitalism rather than abolish it, reflects an acceptance of a continuing role for material incentives, and the fact that the significance of need-satisfaction is largely confined to the eradication of poverty. This, in turn, blurs the distinction between social equality and equality of opportunity.

## Class politics

Socialists have traditionally viewed **social class** as the deepest and most politically significant of social divisions. Socialist class politics have been expressed in two ways, however. In the first, social class is an analytical tool. In pre-socialist societies at least, socialists have believed that human beings tend to think and act together with others with whom they share a common economic position or interest. In other words, social classes, rather than individuals, are the principal actors in history and therefore provide the key to understanding social and political change. This is demonstrated most clearly in the Marxist belief that historical change is the product

#### SOCIAL CLASS

A social division based on economic or social factors; a social class is a group of people who share a similar socio-economic position.

## POLITICAL IDEOLOGIES IN ACTION . . .

## China's 'Cultural Revolution'



**EVENTS:** In August 1966, China's Communist leader, Mao Zedong, officially launched the 'Cultural Revolution' (known in full as 'The Great Proletarian Cultural Revelation'), which continued until Mao's death in 1976. One of the most complicated events in the history of the People's Republic of China, the Cultural Revolution had a profound effect on every aspect of Chinese society and politics. The nation's schools were shut down and a massive youth mobilization was instigated. As the movement escalated, students formed paramilitary groups called the Red Guards, which attacked and harassed 'capitalist roaders' and members of China's elderly and intellectual populations. Not only were wage differentials and all forms of privilege and hierarchy denounced, but even competitive sports like football were banned. There was also a dramatic purge of the Chinese Communist Party (CCP) as well as of officeholders in the economy, education and cultural institutions.

**SIGNIFICANCE:** Mao portrayed the Cultural Revolution as a stark clash between 'socialism' and 'revisionism'. Ostensibly aimed at reviving the revolutionary spirit that had brought the Communist Party to power in 1949, its primary targets were the bureaucratization of the party, ideological degeneration in society as a whole and widening socio-economic inequality. Aside from any other motivations, such thinking clearly had a profound impact on tens of thousands of radicalized young people. However, as an exercise in socialist egalitarianism, the Cultural Revolution was a dismal failure. For one thing, political power came to be concentrated in the hands of Mao himself, supported by an elaborate and inescapable cult of personality. For another, as Chinese society descended into chaos (constrained after 1968 only as the army displaced the Red Guards) and was left with a barely functioning economy, the Cultural Revolution brought little discernible benefit to either the urban proletariat or the rural poor.

Rather than being seen as either an explosion of youthful idealism or an attempt to re-energize the Chinese Revolution, avoiding, in particular, mistakes that had been made in the Soviet Union, the Cultural Revolution may be better interpreted as a consequence of a struggle for power within the higher echelons of the CCP. His authority badly damaged by the failure of the Great Leap Forward (1958–61), Mao treated the Cultural Revolution primarily as an opportunity to sideline or remove his opponents, most notably State Chairman Liu Shaoqi.

of class conflict. The second form of socialist class politics focuses specifically on the working class, and is concerned with political struggle and emancipation. Socialism has often been viewed as an expression of the interests of the working class, and the working class has been seen as the vehicle through which socialism will be achieved. Nevertheless, social class has not been accepted as a necessary or permanent feature of society: socialist societies have either been seen as classless or as societies in which class inequalities have been substantially reduced. In emancipating itself from capitalist exploitation, the working class thus also emancipates itself from its own class identity, becoming, in the process, fully developed human beings.

Socialists have nevertheless been divided about the nature and importance of social class. In the Marxist tradition, class is linked to economic power, as defined by the individual's relationship to the means of production. From this perspective, class divisions are divisions between 'capital' and 'labour'; that is, between the owners of productive wealth (the **bourgeoisie**) and those who live off the sale of their labour power (the **proletariat**). This Marxist two-class model is characterized by irreconcilable conflict between the bourgeoisie and the proletariat, leading, inevitably, to the overthrow of capitalism through a proletarian revolution. Social democrats, on the other hand, have tended to define social class in terms of income and status differences between 'white collar' or non-manual workers (the middle class) and 'blue collar' or manual workers (the working class). From this perspective, the advance of socialism is associated with the *narrowing* of divisions between the middle class and the working class brought about through economic and social intervention. Social democrats have therefore believed in social amelioration and class harmony rather than social polarization and class war.

However, the link between socialism and class politics has declined significantly since the mid-twentieth century. This has largely been a consequence of declining levels of class solidarity and, in particular, the shrinkage of the traditional working class or urban proletariat. The waning in class politics is a consequence of deindustrialization, reflected in the decline of traditional labour-intensive industries such as coal, steel, shipbuilding and so on. Not only has this forced traditional socialist parties to revise their policies in order to appeal to middle-class voters, but it has also encouraged them to define their radicalism less in terms of class emancipation and more in relation to issues such as gender equality, ecological sustainability, or peace and international development.

#### **BOURGEOISIE**

A Marxist term denoting the ruling class of a capitalist society, the owners of productive wealth.

#### **PROLETARIAT**

A Marxist term denoting a class that subsists through the sale of its labour power; strictly speaking, the proletariat is not equivalent to the manual working class.

## **Common ownership**

Socialists have often traced the origins of competition and inequality to the institution of private property, by which they usually mean productive wealth or 'capital', rather than personal belongings such as clothes, furniture or houses. This attitude to



## PERSPECTIVES ON... THE ECONOMY

**LIBERALS** see the economy as a vital part of civil society and have a strong preference for a market or capitalist economic order based on property, competition and material incentives. However, while classical liberals favour laissez-faire capitalism, modern liberals recognize the limitations of the market and accept limited economic management.

**CONSERVATIVES** show clear support for private enterprise but have traditionally favoured pragmatic, if limited, intervention, fearing the free-for-all of laissez-faire and the attendant risks of social instability. The New Right, however, endorses unregulated capitalism.

**SOCIALISTS** in the Marxist tradition have expressed a preference for common ownership and absolute social equality, which in orthodox communism was expressed in state collectivization and central planning. Social democrats, though, support welfare or regulated capitalism, believing that the market is a good servant but a bad master.

**ANARCHISTS** reject any form of economic control or management. However, while anarcho-communists endorse common ownership and small-scale self-management, anarcho-capitalists advocate an entirely unregulated market economy.

**FASCISTS** have sought a 'third way' between capitalism and communism, often expressed through the ideas of corporatism, supposedly drawing labour and capital together into an organic whole. Planning and nationalization are supported as attempts to subordinate profit to the (alleged) needs of the nation or race.

**GREENS** condemn both market capitalism and state collectivism for being growth-obsessed and environmentally unsustainable. Economics must therefore be subordinate to ecology, and the drive for profit at any cost must be replaced by a concern with long-term sustainability and harmony between humankind and nature.

property sets socialism apart from liberalism and conservatism, which both regard property ownership as natural and proper. Socialists criticize private property for a number of reasons:

- Property is *unjust*: wealth is produced by the collective effort of human labour and should therefore be owned by the community, not by private individuals.
- It breeds acquisitiveness and so is *morally corrupting*. Private property encourages people to be materialistic, to believe that human happiness or fulfilment can be gained through the pursuit of wealth. Those who own property wish to accumulate more, while those who have little or no wealth long to acquire it.

- It is *divisive*. It fosters conflict in society; for example, between owners and workers, employers and employees, or simply the rich and the poor.

Socialists have therefore proposed that the institution of private property either be abolished and replaced by the common ownership of productive wealth, or, more modestly, that the right to property be balanced against the interests of the community. **Fundamentalist socialists**, such as Marx and Engels, envisaged the abolition of private property, and hence the creation of a classless, communist society in place of capitalism. Their clear preference was that property be owned collectively and used for the benefit of humanity. However, they said little about how this goal could be achieved in practice. When Lenin and the Bolsheviks seized power in Russia in 1917, they believed that socialism could be built through **nationalization**. This process was not completed until the 1930s, when Stalin's 'second revolution' witnessed the construction of a centrally planned economy, a system of state collectivization. 'Common ownership' came to mean 'state ownership', or what the Soviet constitution described as 'socialist state property'. The Soviet Union thus developed a form of **state socialism**.

#### FUNDAMENTALIST SOCIALISM

A form of socialism that seeks to abolish capitalism and replace it with a qualitatively different kind of society.

#### NATIONALIZATION

The extension of state or public ownership over private assets or industries, either individual enterprises or the entire economy (often called collectivization).

#### STATE SOCIALISM

A form of socialism in which the state controls and directs economic life, acting, in theory, in the interests of the people.

#### MIXED ECONOMY

An economy in which there is a mixture of publicly owned and privately owned industries.

Social democrats have also been attracted to the state as an instrument through which wealth can be collectively owned and the economy rationally planned. However, in the West, nationalization has been applied more selectively, its objective being not full state collectivization but the construction of a **mixed economy**. In the UK, for example, the Attlee Labour government (1945–51) nationalized what it called the 'commanding heights' of the economy: major industries such as coal, steel, electricity and gas. Through these industries, the government hoped to regulate the entire economy without the need for comprehensive collectivization. However, since the 1950s, parliamentary socialist parties have gradually distanced themselves from the 'politics of ownership', preferring to define socialism in terms of the pursuit of equality and social justice rather than the advance of public ownership.

## Roads to socialism

Two major issues have divided competing traditions and tendencies within socialism. The first is the goals, or 'ends', for which socialists should strive. Socialists have held very different conceptions of what a socialist society should look like; in effect, they have developed competing definitions of 'socialism'. The principal

disagreement here is between fundamentalist socialism and **revisionist socialism**, represented, respectively, by the communist and social democratic traditions. These traditions are examined in the next two sections of this chapter. This section discusses the second issue that has divided socialists: the ‘means’ they should use to achieve socialist ends, sometimes seen as the ‘roads to socialism’. This concern with means follows from the fact that socialism has always had an oppositional character: it is a force for change, for the transformation of the capitalist or colonial

#### REVISIONIST SOCIALISM

A form of socialism that has revised its critique of capitalism and seeks to reconcile greater social justice with surviving capitalist forms.

societies in which it emerged. The ‘road’ that socialists have adopted is not merely a matter of strategic significance; it both determines the character of the socialist movement and influences the form of socialism eventually achieved. In other words, means and ends within socialism are often interconnected.

## Revolutionary socialism

Many early socialists believed that socialism could only be introduced by the revolutionary overthrow of the existing political system, and accepted that violence would be an inevitable feature of such a **revolution**. One of the earliest advocates of revolution was the French socialist Auguste Blanqui (1805–81), who proposed the formation of a small band of dedicated conspirators to plan and carry out a revolutionary seizure of power. Marx and Engels, on the other hand, envisaged a ‘proletarian revolution’, in which the class-conscious working masses would rise up and overthrow capitalism. The first successful socialist revolution did not, however, take place until 1917, when a dedicated and disciplined group of revolutionaries, led by Lenin and the Bolsheviks, seized power in Russia in what was more a *coup d’état* than a popular insurrection. In many ways, the Bolshevik Revolution served as a model for subsequent generations of socialist revolutionaries.

During the nineteenth century, revolutionary tactics were attractive to socialists for two reasons. First, the early stages of industrialization produced stark injustice as the working masses were afflicted by grinding poverty and widespread unemployment. Capitalism was viewed as a system of naked oppression and exploitation, and the working class was thought to be on the brink of revolution. When Marx and Engels wrote in 1848 that ‘A spectre is haunting Europe – the spectre of Communism’, they were writing against a background of revolt and revolution in many parts of the continent. Second, the working classes had few alternative means of political influence; indeed, almost everywhere they were excluded from political life. Where autocratic monarchies persisted throughout the nineteenth century, as in Russia, these were dominated by the landed aristocracy. Where constitutional and representative government had developed, the right to vote was usually restricted by a property qualification to the middle classes.

#### REVOLUTION

A fundamental and irreversible change, often a brief but dramatic period of upheaval; systemic change.

Revolution has, however, not merely been a tactical consideration for socialists; it also reflects their analysis of the state and of the nature of state power.

Whereas liberals believe the state to be a neutral body, responding to the interests of all citizens and acting in the common good, revolutionary socialists have viewed the state as an agent of class oppression, acting in the interests of ‘capital’ and against those of ‘labour’. Marxists, for example, believe that political power reflects class interests, and that the state is a ‘**bourgeois state**’, inevitably biased in favour of capital. Political reform and gradual change are clearly pointless. Universal suffrage and regular and competitive elections are at best a façade, their purpose being to conceal the reality of unequal class and to misdirect the political energies of the working class. A class-conscious proletariat thus has no alternative: in order to build socialism, it has first to overthrow the bourgeois state through political revolution.

In the second half of the twentieth century, faith in revolution was most evident among socialists in the developing world. In the post-1945 period, many national liberation movements embraced the ‘armed struggle’, in the belief that colonial rule could neither be negotiated nor voted out of existence. In Asia, the Chinese Revolution of 1949, led by Mao Zedong (1893–1976), was the culmination of a long military campaign against both Japan and the Chinese Nationalists, the Kuomintang. Vietnamese national unity was achieved in 1975 after a prolonged war fought first against France, and subsequently against the USA. Until his death in 1967, Che Guevara, the Argentinian revolutionary, led guerrilla forces in various parts of Latin America and commanded troops during the Cuban revolution of 1959, which brought Fidel Castro to power. Similar revolutionary struggles took place in Africa: for example, the bitter war through which Algeria eventually gained independence from France in 1962.

The choice of revolutionary or insurrectionary political means had profound consequences for socialism. For instance, the use of revolution usually led to the pursuit of fundamentalist ends. Revolution had the advantage that it allowed the remnants of the old order to be overthrown and an entirely new social system to be constructed. Thus when the Khmer Rouge, led by Pol Pot, seized power in Cambodia in 1975, they declared ‘Year Zero’. Capitalism could be abolished and a qualitatively different socialist society established in its place. Socialism, in this context, usually took the form of state collectivization, modelled on the Soviet Union during the Stalinist period. The revolutionary ‘road’ was nevertheless also associated with a drift towards dictatorship and the use of political repression. This occurred for a number of reasons. First, the use of force accustomed the new rulers to regard violence as a legitimate instrument of policy; as Mao put it, ‘power resides in the barrel of a gun’. Second, revolutionary parties typically adopted military-style structures, based on strong leadership and strict discipline, that were merely consolidated once power was achieved. Third, in rooting out the vestiges of the old order, all oppositional forces were also removed, effectively preparing the way for the construction of totalitarian dictatorships. The revolutionary socialist

**BOURGEOIS STATE**

A Marxist term denoting a state that is bound to the interests of the bourgeoisie, and so perpetuates a system of unequal class power.

tradition, nevertheless, was fatally undermined by the collapse of communism, in what were, effectively, the counter-revolutions of 1989–91. This finally ended the divide that had opened up in socialist politics in 1917, and completed the conversion of socialism to constitutional and democratic politics. Where revolutionary socialism survives, it is only in pockets such as continuing Maoist insurgency in Peru and Nepal.

## Evolutionary socialism

Although early socialists often supported the idea of revolution, as the nineteenth century progressed enthusiasm for popular revolt waned, at least in the advanced capitalist states of western and central Europe. Capitalism itself had matured and, by the late nineteenth century, the urban working class had lost its revolutionary character and was being integrated into society. Wages and living standards had started to rise, and the working class had begun to develop a range of institutions (working men's clubs, trade unions, political parties and so on) that both protected their interests and nurtured a sense of belonging within industrial society. Furthermore, the gradual advance of political democracy led to the extension of the franchise (the right to vote) to the working classes. By the end of World War I, a large majority of western states had introduced universal manhood suffrage, with a growing number extending voting rights also to women. The combined effect of these factors was to shift the attention of socialists away from violent insurrection and to persuade them that there was an alternative evolutionary, democratic or parliamentary road to socialism.

The Fabian Society, formed in 1884, took up the cause of parliamentary socialism in the UK. The Fabians, led by Beatrice Webb (1858–1943) and Sidney Webb (1859–1947), and including noted intellectuals such as George Bernard Shaw and H. G. Wells, took their name from the Roman General Fabius Maximus, who was noted for the patient and defensive tactics he had employed in defeating Hannibal's invading armies. In their view, socialism would develop naturally and peacefully out of liberal capitalism via a very similar process. This would occur through a combination of political action and education. Political action required the formation of a socialist party, which would compete for power against established parliamentary parties rather than prepare for violent revolution. They therefore accepted the liberal theory of the state as a neutral arbiter, rather than the Marxist belief that it is an agent of class oppression. The Webbs were actively involved in the formation of the UK Labour Party, and helped to write its 1918 constitution. The Fabians also believed that elite groups, such as politicians of all parties, civil servants, scientists and academics, could be converted to socialism through education. These elite groups would be 'permeated' by socialist ideas as they recognized that socialism is morally superior to capitalism, being based, for example, on biblical principles, and is more rational and efficient.

Fabian ideas also had an impact on the German Social Democratic Party (SPD), formed in 1875. The SPD quickly became the largest socialist party in Europe and, in 1912, the largest party in the German Reichstag. While committed in theory to a Marxist strategy, in practice it adopted a reformist approach, influenced by the ideas of Ferdinand Lassalle (1825–64). Lassalle had argued that the extension of political democracy could enable the state to respond to working-class interests, and he envisaged socialism being established through a gradual process of social reform, introduced by a benign state. Such ideas were developed more thoroughly by Eduard Bernstein (see p. 124), whose *Evolutionary Socialism* ([1898] 1962) developed ideas that paralleled the Fabian belief in **gradualism**. Bernstein was particularly impressed by the development of the democratic state, which he believed made the Marxist call for revolution redundant. The working class could use the ballot box to introduce socialism, which would therefore develop as an evolutionary outgrowth of capitalism. Such principles dominated the working-class political parties that sprang up around the turn of the century: the Australian Labour Party was founded in 1891, the UK Labour Party in 1900, the Italian Socialist Party in 1892, its French counterpart in 1905, and so on. They came, in the 1970s, to be adopted also by western communist parties, led by the Spanish, Italian and French communist parties. The resulting **Eurocommunism** was committed to pursuing a democratic road to communism and maintaining an open, competitive political system.

#### GRADUALISM

Progress brought about by gradual, piecemeal improvements, rather than dramatic upheaval; change through legal and peaceful reform.

#### EUROCOMMUNISM

A form of deradicalized communism, most influential in the 1970s, which attempted to blend Marxism with liberal-democratic principles.

## The inevitability of gradualism?

The advent of political democracy in the late nineteenth and early twentieth centuries caused a wave of optimism to spread throughout the socialist movement, reflected, for example, in the Fabian notion of ‘the inevitability of gradualism.’ The idea that the victory of socialism was inevitable was not new. For instance, Marx had predicted the inevitable overthrow of capitalist society in a proletarian revolution. However, whereas Marx believed that history was driven forward by the irresistible forces of class conflict, evolutionary socialists highlighted the logic of the democratic process itself.

Their optimism was founded on a number of assumptions:

- First, the progressive extension of the franchise would eventually lead to the establishment of universal adult suffrage, and therefore of political equality.
- Second, political equality would, in practice, work in the interests of the majority; that is, those who decide the outcome of elections. Political

democracy would thus invest power in the hands of the working class, easily the most numerous class in any industrial society.

- Third, socialism was thought to be the natural 'home' of the working class. As capitalism is a system of class exploitation, oppressed workers will naturally be drawn to socialist parties, which offer them the prospect of social justice and emancipation. The electoral success of socialist parties would therefore be guaranteed by the numerical strength of the working class.
- Fourth, once in power, socialist parties would be able to carry out a fundamental transformation of society through a process of social reform. In this way, political democracy not only opened up the possibility of achieving socialism peacefully, it made this process inevitable.

Such optimistic expectations have, however, not been borne out in reality. Some have even argued that democratic socialism is founded on a contradiction: in order to respond successfully to electoral pressures, socialists have been forced to revise or 'water down' their ideological beliefs. Socialist parties have enjoyed periods of power in virtually all liberal democracies, with the exception of North America. However, they have certainly not been guaranteed power. The Swedish Social Democratic Labour Party (SAP) has been the most successful in this respect, having been in power alone, or as the senior partner in a coalition, for most of the period since 1951. Nevertheless, even the SAP has only once achieved 50 per cent of the popular vote (in 1968). The UK Labour Party gained its greatest support (49 per cent) in 1951, equalled by the Spanish Socialist Workers' Party in 1982. The SPD in Germany got 46 per cent of the vote in 1972, and the combined socialist and communist vote in Italy in 1976 amounted to 44 per cent. Moreover, although these parties have undoubtedly introduced significant social reforms when in power (usually involving the expansion of welfare provision and economic management), they have certainly not presided over any fundamental social transformation. At best, capitalism has been reformed, not abolished.

Democratic socialism has, in fact, encountered a number of problems not envisaged by its founding figures. In the first place, does the working class any longer constitute the majority of the electorate in advanced industrial societies? Socialist parties have traditionally focused their electoral appeal on urban manual workers, the 'factory fodder' of capitalist societies. Modern capitalism, however, has become increasingly technological, demanding a skilled workforce often engaged in technical rather than manual tasks. The 'traditional' working class,

#### UNDERCLASS

A classification of people who suffer from multiple forms of deprivation, and so are socially, politically and culturally marginalized.

composed of manual labourers working in established 'heavy' industries, has thus declined in size, giving rise to the idea of so-called 'two-thirds, one-third' societies, in which poverty and disadvantage are concentrated in the 'underclass'. In *The Culture of Contentment* (1992), J. K. Galbraith drew attention

to the emergence in modern societies, or at least among the politically active, of a 'contented majority' whose material affluence and economic security encourage them to be politically conservative. If working-class support no longer offers socialist parties the prospect of an electoral majority, they are either forced to appeal more broadly for support to other social classes, or to share power as a coalition partner with middle-class parties. Both options require socialist parties to modify their ideological commitments, either in order to appeal to electors who have little or no interest in socialism, or to work with parties that seek to uphold capitalism.

Furthermore, is the working class socialist at heart? Is socialism genuinely in the interests of the working class? Socialist parties have been forced to acknowledge the ability of capitalism to 'deliver the goods', especially since the Second World War. During the 1950s, socialist parties, once committed to fundamental change, revised their policies in an attempt to appeal to an increasingly affluent working class. A similar process has taken place since the 1980s, as socialist parties have struggled to come to terms with the changing class structure of capitalism as well as the pressures generated by economic globalization. In effect, socialism has come to be associated with attempts to make the market economy work, rather than with an attempt to re-engineer the social structure of capitalism. Such shifts are examined in more detail later, in connection with social democracy.

However, left-wing socialists have a different explanation for the declining socialist character of the working class. Rather than highlighting the benefits of capitalism or its changing class structure, they have emphasized the role of ideological manipulation. Marxists thus argue that '**bourgeois ideology**' pervades society, preventing the working class from perceiving the reality of its own exploitation. For example, Lenin proclaimed that without the leadership of a revolutionary party, the working class would only be able to gain 'trade union consciousness', a desire for material improvement within the capitalist system, but not full revolutionary '**class consciousness**'. Antonio Gramsci (see p. 125) emphasized that capitalism survives not through its economic power alone, but also through a process of 'ideological hegemony'.

#### **BOURGEOIS IDEOLOGY**

A Marxist term denoting ideas and theories that serve the interests of the bourgeoisie by disguising the contradictions of capitalist society.

#### **CLASS CONSCIOUSNESS**

A Marxist term denoting an accurate awareness of class interests and a willingness to pursue them; a class-conscious class is a class-for-itself.

Finally, can socialist parties, even if elected to power, carry out socialist reforms? Socialist parties have formed single-party governments in a number of western countries, including France, Sweden, Spain, the UK, Australia and New Zealand. Once elected, however, they have been confronted with entrenched interests in both the state and society. As early as 1902, the SPD leader Karl Kautsky (1854–1938) pointed out that 'the capitalist class rules but it does not govern, it contents itself with ruling the government'. This is made easier by the fact that political elites in the administration, courts and the military share the same

social background as business elites. Moreover, elected governments, of whatever ideological inclination, must respect the power of big business, which is the major employer and investor in the economy as well as the wealthiest contributor to party funds. In other words, while democratic socialist parties may succeed in forming elected governments, there is the danger that they will merely win office without necessarily acquiring power.

## Communism

The communist tradition within socialism is defined by a rejection of private property and a clear preference for common or collective ownership. It is a tradition that has a variety of manifestations, even overlapping with anarchism, as in the case of anarcho-communism (discussed in Chapter 5). However, its historically most significant association has undoubtedly been with Marxism. Strictly speaking, ‘Marxism’ as a codified body of thought only came into existence after Marx’s death in 1883. It was the product of the attempt, notably by Marx’s lifelong collaborator, Engels, Kautsky and the Russian theoretician Georgi Plekhanov (1857–1918), to condense Marx’s ideas and theories into a systematic and comprehensive worldview that suited the needs of the growing socialist movement. This ‘orthodox’ Marxism, which is often portrayed as ‘**dialectical materialism**’ (a term coined by Plekhanov and not used by Marx), later formed the basis of Soviet communism. Some see Marx as an economic determinist, while others proclaim him to be a humanist socialist. Moreover, distinctions have also been drawn between his early and later writings, sometimes presented as the distinction between the ‘young Marx’ and the ‘mature Marx’. It is nevertheless clear that Marx himself believed he had developed a new brand of socialism that was scientific, in the sense that it was primarily concerned with disclosing the nature of social and historical development, rather than with advancing an essentially ethical critique of capitalism.

### DIALECTICAL MATERIALISM

The crude and deterministic form of Marxism that dominated intellectual life in orthodox communist states.

### Key concept

## Communism

Communism, in its simplest sense, refers to the communal organization of social existence, especially through the collective ownership of property. For Marxists, communism is a theoretical ideal. In this sense, communism is characterized by classlessness (wealth is owned in common), rational economic organization (production-

for-use replaces production-for-exchange) and statelessness (in the absence of class conflict, the state ‘withers away’). ‘Orthodox’ communism refers to the societies founded in the twentieth century supposedly on the basis of Marxist principles. In such societies: (1) Marxism-Leninism was used as an ‘official’ ideology; (2) the communist party had a monopoly of power, based on its ‘leading and guiding’ role in society; and (3) economic life was collectivized and organized through a system of central planning.

At least three forms of Marxism can be identified. These are:

- classical Marxism
- orthodox communism
- neo-Marxism.

## Classical Marxism

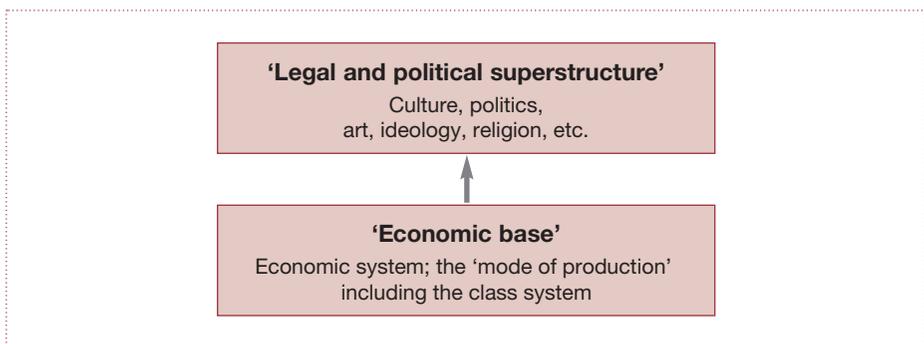
### Philosophy

The core of classical Marxism – the Marxism of Marx – is a philosophy of history that outlines why capitalism is doomed and why socialism is destined to replace it, based on supposedly scientific analysis. But in what sense did Marx believe his work to be scientific? Marx criticized earlier socialist thinkers such as the French social reformer Saint-Simon (1760–1825), Fourier and Owen as ‘utopians’ on the basis that their socialism was grounded in a desire for total social transformation unconnected with the necessity of class struggle and revolution. Marx, in contrast, undertook a laborious empirical analysis of history and society, hoping thereby to gain insight into the nature of future developments. However, whether with Marx’s help or not, Marxism as the attempt to gain historical understanding through the application of scientific methods, later developed into Marxism as a body of scientific truths, gaining a status more akin to that of a religion. Engels’ declaration that Marx had uncovered the ‘laws’ of historical and social development was a clear indication of this transition.

#### HISTORICAL MATERIALISM

A Marxist theory that holds that material or economic conditions ultimately structure law, politics, culture and other aspects of social existence.

What made Marx’s approach different from that of other socialist thinkers was that he subscribed to what Engels called the ‘materialist conception of history’, or **historical materialism** (see Figure 4.1). Rejecting the idealism of the German philosopher G. W. F. Hegel (1770–1831), who believed that history amounted to the unfolding of the so-called ‘world spirit’, Marx held



**Figure 4.1** Historical materialism

material circumstances to be fundamental to all forms of social and historical development. This reflected the belief that the production of the means of subsistence is the most crucial of all human activities. Since humans cannot survive without food, water, shelter and so on, the way in which these are produced conditions all other aspects of life; in short, 'social being determines consciousness'. In the preface to *A Contribution to the Critique of Political Economy*, written in 1859, Marx gave this theory its most succinct expression, by suggesting that social consciousness and the 'legal and political superstructure' arise from the 'economic base', the real foundation of society. This 'base' consists essentially of the 'mode of production' or economic system – feudalism, capitalism, socialism and so on. This led Marx to conclude that political, legal, cultural, religious, artistic and other aspects of life could be explained primarily by reference to economic factors (see pp. 6–8 for an account of how this applies to Marx's theory of ideology).

While in other respects a critic of Hegel, Marx nevertheless embraced his belief that the driving force of historical change was the **dialectic**. In effect, progress is the consequence of internal conflict. For Hegel, this explained the movement of the 'world spirit' towards self-realization through conflict between a thesis and its opposing force, an antithesis, producing a higher level, a synthesis, which in turn constitutes a new thesis. Marx, as Engels put it, 'turned Hegel on his head', by investing this Hegelian dialectic with a materialistic interpretation. Marx thus explained historical change by reference to internal contradictions within each mode of production, arising from the existence of private property. Capitalism is thus doomed because it embodies its own antithesis, the proletariat, seen by Marx as the 'grave digger of capitalism'. Conflict between capitalism and the proletariat will therefore lead to a higher stage of development in the establishment of a socialist, and eventually a communist, society.

Marx's theory of history is therefore teleological, in the sense that it invests history with meaning or a purpose, reflected in its goal: classless communism. This goal would nevertheless only be achieved once history had developed through a series of stages or epochs, each characterized by its own economic structure and class system. In *The German Ideology* ([1846] 1970) Marx identified four such stages:

- primitive communism or tribal society, in which material scarcity provided the principal source of conflict
- slavery, covering classical or ancient societies and characterized by conflict between masters and slaves
- feudalism, marked by antagonism between land owners and serfs
- capitalism, dominated by the struggle between the bourgeoisie and the proletariat.

#### DIALECTIC

A process of development in which interaction between two opposing forces leads to a further or higher stage; historical change resulting from internal contradictions within a society.

Human history has therefore been a long struggle between the oppressed and the oppressor, the exploited

and the exploiter. However, following Hegel, Marx envisaged an end of history, which would occur when a society was constructed that embodied no internal contradictions or antagonisms. This, for Marx, meant communism, a classless society based on the common ownership of productive wealth. With the establishment of communism, what Marx called the 'pre-history of mankind' would come to an end.

## Economics

In Marx's early writings much of his critique of capitalism rests on the notion of **alienation**, which applies in four senses. Since capitalism is a system of production for exchange, it alienates humans from the *product* of their labour: they work to produce not what they need or what is useful, but 'commodities' to be sold for profit. They are also alienated from the *process* of labour, because most are forced to work under the supervision of foremen or managers. In addition, work is not social: individuals are encouraged to be self-interested and are therefore alienated from *fellow workers*. Finally, workers are alienated from *themselves*. Labour itself is reduced to a mere commodity and work becomes a depersonalized activity instead of a creative and fulfilling one.

However, in his later work, Marx analysed capitalism more in terms of class conflict and exploitation. Marx defined class in terms of economic power, specifically where people stand in relation to the ownership of the 'means of production', or productive wealth. He believed that capitalist society was being divided increasingly into 'two great classes facing one another: Bourgeoisie and Proletariat'. For Marx and later Marxists, the analysis of the class system provides the key to historical understanding and enables predictions to be made about the future development of capitalism: in the words of the *Communist Manifesto* ([1848] 1968), 'The history of all hitherto existing societies is the history of class struggle.' Classes, rather than individuals, parties or other movements, are the chief agents of historical change.

### ALIENATION

To be separated from one's genuine or essential nature; used by Marxists to describe the process whereby, under capitalism, labour is reduced to being a mere commodity.

### RULING CLASS

A Marxist term denoting the class that owns the means of production, and so wields economic and political power.

### SURPLUS VALUE

A Marxist term denoting the value that is extracted from the labour of the proletariat by the mechanism of capitalist exploitation.

Crucially, Marx believed that the relationship between classes is one of irreconcilable antagonism, the subordinate class being necessarily and systematically exploited by the '**ruling class**'. This he explained by reference to the idea of '**surplus value**'. Capitalism's quest for profit can only be satisfied through the extraction of surplus value from its workers, by paying them less than the value their labour generates. Economic exploitation is therefore an essential feature of the capitalist mode of production, and it operates regardless of the meanness or generosity of particular employers. Marx was concerned not only to highlight the inherent instability of capitalism, based on irreconcilable class conflict, but also to analyse the

nature of capitalist development. In particular, he drew attention to its tendency to experience deepening economic crises. These stemmed, in the main, from cyclical crises of overproduction, plunging the economy into stagnation and bringing unemployment and immiseration to the working class. Each crisis would be more severe than the last, because, Marx calculated, in the long term the rate of profit would fall. This would eventually, and inevitably, produce conditions in which the proletariat, the vast majority of society, would rise up in revolution.

## Politics

Marx's most important prediction was that capitalism was destined to be overthrown by a proletarian revolution. This would be not merely a political revolution that would remove the governing elite or overthrow the state machine, but a **social revolution** that would establish a new mode of production and culminate in the achievement of full communism. Such a revolution, he anticipated, would occur in the most mature capitalist countries – for example, Germany, Belgium, France or the UK – where the forces of production had expanded to their limit within the constraints of the capitalist system. Nevertheless, revolution would not simply be determined by objective conditions alone. The subjective element would be supplied by a 'class-conscious' proletariat, meaning that revolution would occur when both objective and subjective conditions were 'ripe'. As class antagonisms intensified, the proletariat would recognize the fact of its own exploitation and become a revolutionary force: a class for-itself and not merely a class in-itself. In this sense, revolution would be a spontaneous act, carried out by a proletarian class that would, in effect, lead or guide itself.

The initial target of this revolution was to be the bourgeois state. The state, in this view, is an instrument of oppression wielded by the economically dominant class. However, Marx recognized that there could be no immediate transition from capi-

talism to communism. A transitional 'socialist' stage of development would last as long as class antagonisms persisted. This would be characterized by what Marx called the **dictatorship of the proletariat**. The purpose of this proletarian state was to safeguard the gains of the revolution by preventing counter-revolution carried out by the dispossessed bourgeoisie. However, as class antagonisms began to fade with the emergence of full communism, the state would 'wither away' – once the class system had been abolished, the state would lose its reason for existence. The resulting communist society would therefore be stateless as well as classless, and would allow a system of commodity production to give way to one geared to the satisfaction of human needs.

### **SOCIAL REVOLUTION**

A qualitative change in the structure of society; for Marxists a social revolution involves a change in the mode of production and the system of ownership.

### **DICTIONARY OF THE PROLETARIAT**

A Marxist term denoting the transitional phase between the collapse of capitalism and the establishment of full communism, characterized by the establishment of a proletarian state.

## Orthodox communism

The Russian Revolution and its consequences dominated the image of communism in the twentieth century. The Bolshevik party, led by V. I. Lenin, seized power in a *coup d'état* in October 1917, and the following year adopted the name 'Communist Party'. As the first successful communist revolutionaries, the Bolshevik leaders enjoyed unquestionable authority within the communist world, at least until the 1950s. Communist parties set up elsewhere accepted the ideological leadership of Moscow and joined the Communist International, or 'Comintern', founded in 1919. The communist regimes established in eastern Europe after 1945, in China in 1949, in Cuba in 1959 and elsewhere, were consciously modelled on the structure of the Soviet Union. Thus, Soviet communism became the dominant model of communist rule, and the ideas of Marxism-Leninism became the ruling ideology of the communist world.

However, twentieth-century communism differed significantly from the ideas and expectations of Marx and Engels. In the first place, although the communist parties that developed in the twentieth century were founded on the theories of classical Marxism, they were forced to adapt these to the tasks of winning and retaining political power. Twentieth-century communist leaders had, in particular, to give greater attention to issues such as leadership, political organization and economic management than Marx had done. Second, the communist regimes were shaped by the historical circumstances in which they developed. Communist parties did not achieve power, as Marx had anticipated, in the developed capitalist states of western Europe, but in backward, largely rural countries such as Russia and China. In consequence, the urban proletariat was invariably small and unsophisticated, quite incapable of carrying out a genuine class revolution. Communist rule thus became the rule of a communist elite, and of communist leaders. Soviet communism, furthermore, was crucially shaped by the decisive personal contribution of the first two Bolshevik leaders, V.I. Lenin and Joseph Stalin (1879–1953).

Lenin was both a political leader and a major political thinker. His theories reflected his overriding concern with the problems of winning power and establishing communist rule. The central feature of **Leninism** was a belief in the need for a new kind of political party, a revolutionary party or vanguard party. Unlike Marx, Lenin did not believe that the proletariat would spontaneously develop revolutionary class consciousness, as the working class was deluded by bourgeois ideas and beliefs. He suggested that only a 'revolutionary party' could lead the working class from 'trade union consciousness' to revolutionary class consciousness. Such a party should be composed of professional and dedicated revolutionaries. Its claim to leadership would lie in its ideological wisdom, specifically its understanding of Marxist theory. This party could therefore act as the 'vanguard of the proletariat' because, armed with Marxism, it would perceive the genuine interests of the proletariat and would act to awaken the proletarian

### LENINISM

Lenin's theoretical contributions to Marxism, notably his belief in the need for a revolutionary or 'vanguard' party to raise the proletariat to class consciousness.

class to its revolutionary potential. Lenin further proposed that the vanguard party should be organized according to the principles of **democratic centralism**.

When the Bolsheviks seized power in 1917 they did so as a vanguard party, and therefore in the name of the proletariat. If the Bolshevik Party was acting in the interests of the working class, it followed that opposition parties must represent the interests of classes hostile to the proletariat, in particular the bourgeoisie. The dictatorship of the proletariat required that the revolution be protected against its class enemies, which effectively meant the suppression of all parties other than the Communist Party. By 1920, Russia had become a one-party state. Leninist theory therefore implied the existence of a monopolistic party, which enjoys sole responsibility for articulating the interests of the proletariat and guiding the revolution toward its ultimate goal, that of 'building communism'.

Soviet communism was no less deeply influenced by the rule of Joseph Stalin, 1924–53, than that of Lenin. Indeed more so, as the Soviet Union was affected more profoundly by Stalin's 'second revolution' in the 1930s than it had been by the October Revolution. Stalin's most important ideological shift was to embrace the doctrine of 'Socialism in One Country', initially developed by Nikolai Bukharin. Announced in 1924, this proclaimed that the Soviet Union could succeed in 'building socialism' without the need for international revolution. After consolidating himself in power, however, Stalin oversaw a dramatic economic and political upheaval, beginning with the announcement of the first Five Year Plan in 1928. Stalin's Five Year Plans brought about rapid industrialization as well as the swift and total eradication of private enterprise. From 1929, agriculture was collectivized, and Soviet peasants were forced at the cost of literally millions of lives to give up their land and join state or collective farms. Economic **Stalinism** therefore took the form of state collectivization or 'state socialism'. The capitalist market was entirely removed and replaced by a system of central planning, dominated by the State Planning Committee, 'Gosplan', and administered by a collection of powerful economic ministries based in Moscow.

Major political changes accompanied this 'second revolution'. During the 1930s, Stalin used his power to brutal effect, removing anyone suspected of disloyalty or

#### **DEMOCRATIC CENTRALISM**

The Leninist principle of party organization, based on a supposed balance between freedom of discussion and strict unity of action.

#### **STALINISM**

A centrally planned economy supported by systematic and brutal political oppression, based on the structures of Stalin's Russia.

criticism in an increasingly violent series of purges carried out by the secret police, the NKVD. The membership of the Communist Party was almost halved, over a million people lost their lives, including all the surviving members of Lenin's Politburo, and many millions were imprisoned in labour camps, or gulags. Political Stalinism was therefore a form of totalitarian dictatorship, operating through a monolithic ruling party, in which all forms of debate or criticism were eradicated by terror in what amounted to a civil war conducted against the party itself.

## Neo-Marxism

While Marxism – or, more usually, Marxism-Leninism – was turned into a secular religion by the orthodox communist regimes of eastern Europe and elsewhere, a more subtle and complex form of Marxism developed in western Europe. Referred to as modern Marxism, western Marxism or **neo-Marxism**, this amounted to an attempt to revise or recast the classical ideas of Marx while remaining faithful to certain Marxist principles or aspects of Marxist methodology.

Two principal factors shaped the character of neo-Marxism. First, when Marx's prediction about the imminent collapse of capitalism failed to materialize, neo-Marxists were forced to re-examine conventional class analysis. In particular, they took a greater interest in Hegelian ideas and in the stress on 'Man the creator' found in Marx's early writings. Neo-Marxists were thus able to break free from the rigid 'base/superstructure' straitjacket. In short, the class struggle was no longer treated as the beginning and end of social analysis. Second, neo-Marxists were usually at odds with, and sometimes profoundly repelled by, the Bolshevik model of orthodox communism.

The Hungarian Marxist Georg Lukács (1885–1971) was one of the first to present Marxism as a humanistic philosophy, emphasizing the process of 'reification', through which capitalism dehumanizes workers by reducing them to passive objects or marketable commodities. Antonio Gramsci drew attention to the degree to which the class system is upheld not simply by unequal economic and political power, but also by bourgeois 'hegemony', the spiritual and cultural supremacy of the ruling class, brought about through the spread of bourgeois values and beliefs via civil society – the media, churches, youth movements, trade unions and so on. A more overtly Hegelian brand of Marxism was developed by the so-called Frankfurt School, whose leading early figures were Theodor Adorno (1903–69), Max Horkheimer

### NEO-MARXISM

An updated and revised form of Marxism that rejects determinism, the primacy of economics and the privileged status of the proletariat.

## Key concept

### New Left

The New Left comprises thinkers and intellectual movements that emerged in the 1960s and early 1970s, seeking to revitalize socialist thought by developing a radical critique of advanced industrial society. The New Left rejected both 'old' left alternatives: Soviet-style state socialism and de-radicalized western social democracy. Influenced by the humanist writings of

the 'young' Marx, and by anarchism and radical forms of phenomenology and existentialism, New Left theories are often diffuse. Common themes nevertheless include a fundamental rejection of conventional society ('the system') as oppressive, a commitment to personal autonomy and self-fulfilment in the form of 'liberation', disillusionment with the role of the working class as the revolutionary agent, sympathy for identity politics (see p. 282), and a preference for decentralization and participatory democracy.

(1895–1973) and Herbert Marcuse (see p. 125). Frankfurt theorists developed what was called ‘critical theory’, a blend of Marxist political economy, Hegelian philosophy and Freudian psychology, that came to have a considerable impact on the so-called ‘New Left’. The leading exponent of the ‘second generation’ of the Frankfurt School is the German philosopher and social theorist Jürgen Habermas (born 1929). His wide-ranging work includes an analysis of ‘crisis tendencies’ in capitalist society that arise from tensions between capital accumulation and democracy.

## The death of Marxism?

The year 1989 marked a dramatic watershed in the history of communism and in ideological history generally. Starting in April with student-led ‘democracy movement’ demonstrations in Tiananmen Square in Beijing and culminating in November in the fall of the Berlin Wall, the division of Europe into a capitalist West and a communist East was brought to an end. By 1991 the Soviet Union, the model of orthodox communism, had ceased to exist. Where communist regimes continue, as in China, Cuba, Vietnam, North Korea and elsewhere, they have either blended political Stalinism with market-orientated economic reform (most clearly in the case of China) or suffered increasing isolation (as in the case of North Korea). These developments were a result of a number of structural flaws from which orthodox communism suffered. Chief among these were that while central planning proved effective in bringing about early industrialization, it could not cope with the complexities of modern industrial societies and, in particular, failed to deliver the levels of prosperity enjoyed in the capitalist West from the 1950s onwards.

There is, nevertheless, considerable debate about the implications of the collapse of communism for Marxism. On the one hand, there are those who, like the ‘end of history’ theorist, Francis Fukuyama (1989, 1992), argue that the ‘collapse of communism’ is certain proof of the demise of Marxism as a world-historical force. On the other hand, there are those who argue that the Soviet-style communism that was rejected in the revolutions of 1989–91 differed markedly from the ‘Marxism of Marx’. However, to point out that it was not Marxism but a Stalinist version of Marxism–Leninism that collapsed in 1989–91 is very far from demonstrating the continuing relevance of Marxism. A far more serious problem for Marxism is the failure of Marx’s predictions (about the inevitable collapse of capitalism and its replacement by communism) to be realized. Quite simply, advanced industrial societies have not been haunted by the ‘spectre of communism’. Even those who believe that Marx’s views on matters such as alienation and exploitation continue to be relevant, have to accept that classical Marxism failed to recognize the remarkable resilience of capitalism and its capacity to recreate itself.

Some Marxists have responded to these problems by advancing ‘post-Marxist’ ideas and theories. Post-Marxism, nevertheless, has two implications. The first is that the Marxist project, and the historical materialism on which it is based, should be abandoned in favour of alternative ideas. This is evident in the writings of the

one-time Marxist Jean-François Lyotard (1984), who suggested that Marxism as a totalizing theory of history, and for that matter all other ‘grand narratives’, had been made redundant by the emergence of postmodernity. In its alternative version, post-Marxism consists of an attempt to salvage certain key Marxist insights by attempting to reconcile Marxism with aspects of postmodernism (see p. 59) and poststructuralism. Ernesto Laclau and Chantal Mouffe (2014) accepted that the priority traditionally accorded to social class, and the central position of the working class in bringing about social change, were no longer sustainable. In so doing, they opened up space within Marxism for a wide range of other ‘moments’ of struggle, usually linked to so-called new social movements such as the women’s movement, the ecological movement, the gay and lesbian movement, the peace movement, and so on.

## Social democracy

As an ideological stance, social democracy took shape around the mid-twentieth century, resulting from the tendency among western socialist parties not only to adopt parliamentary strategies, but also to revise their socialist goals. In particular, they abandoned the goal of abolishing capitalism and sought instead to reform or ‘humanize’ it. Social democracy therefore came to stand for a broad balance between the market economy, on the one hand, and state intervention on the other.

Social democracy was most fully developed in the early post-1945 period, during which enthusiasm for social-democratic ideas and theories extended well beyond its socialist homeland, creating, in many western states, a social-democratic consensus. However, since the 1970s and 1980s, social democracy has struggled to retain its electoral and political relevance in the face of the advance of neoliberalism (see p. 83) and changed economic and social circumstances. The final decades of the twentieth century therefore witnessed a process of ideological retreat on the part of reformist socialist parties across the globe.

### Key concept

## Social Democracy

Social democracy is an ideological stance that supports a broad balance between market capitalism, on the one hand, and state intervention on the other. Being based on a compromise between the market and the state, social democracy lacks a systematic underlying theory

and is, arguably, inherently vague. It is nevertheless associated with the following views: (1) capitalism is the only reliable means of generating wealth, but it is a morally defective means of distributing wealth because of its tendency towards poverty and inequality; (2) the defects of the capitalist system can be rectified through economic and social intervention, the state being the custodian of the public interest; (3) social change can and should be brought about peacefully and constitutionally.

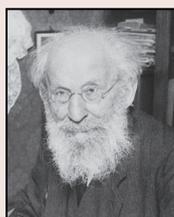
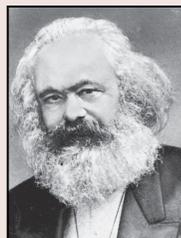


## KEY FIGURES IN... SOCIALISM



**Robert Owen (1771–1858)** A British socialist, industrialist and pioneer of the cooperative movement, Owen's *A New View of Society* (1816) envisaged a transformation in human nature consequent on a change in its environment, suggesting that progress requires the construction of a 'rational system of society'. Owen advanced a moral indictment of market capitalism, which he proposed should be replaced with a society based on small-scale cooperative communities in which property would be communally owned and essential goods freely distributed.

**Karl Marx (1818–83)** A German philosopher, economist and life-long revolutionary, Marx is usually portrayed as the father of twentieth-century communism. The centrepiece of Marx's thought is a 'scientific' critique of capitalism that highlights, in keeping with previous class society, systemic inequality and therefore fundamental instability. Marx's materialist theory of history holds that social development will inevitably culminate in the establishment of a classless communist society. His vast works include the *Communist Manifesto* (1848) (written with Friedrich Engels (1820–95)) and the three-volume *Capital* (1867, 1885 and 1894).



**Eduard Bernstein (1850–1932)** A German socialist politician and theorist, Bernstein attempted to revise and modernize orthodox Marxism in the light of changing circumstances. In *Evolutionary Socialism* (1898), Bernstein argued that economic crises were becoming less, not more, acute, and drew attention to the 'steady advance of the working class'. On this basis, he drew attention to the possibility of a gradual and peaceful transition to socialism, and questioned the distinction between liberalism and socialism, later abandoning all semblance of Marxism.

**Vladimir Ilich Lenin (1870–1924)** A Russian Marxist revolutionary and theorist, Lenin was the first leader of the Soviet state (1917–21). In *What Is to Be Done?* (1902), he emphasized the central importance of a tightly organized 'vanguard' party to lead and guide the proletarian class. In *Imperialism, the Highest Stage of Capitalism* (1916), he developed an economic analysis of colonialism, highlighting the possibility of turning world war into class war. *The State and Revolution* (1917) outlined Lenin's firm commitment to the 'insurrectionary road' and rejected 'bourgeois parliamentarianism'.



### Ethical socialism

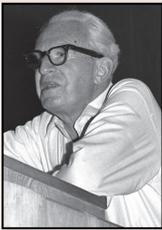
The theoretical basis for social democracy has been provided more by moral or religious beliefs than by scientific analysis. Social democrats have not accepted the materialist and highly systematic ideas of Marx and Engels, but rather advanced an essentially moral critique of capitalism. In short, socialism is portrayed as morally superior to capitalism because human beings are ethical creatures, bound to one another by the ties of love, sympathy and compassion. The moral vision that

**Leon Trotsky (1879–1940)** A Russian Marxist revolutionary and theorist, Trotsky joined forces with Lenin in 1917 but after Lenin's death was driven from power and eventually murdered by Stalin. Trotsky's chief theoretical contribution to Marxism was the theory of permanent revolution, which suggested that socialism could be established in Russia without the need for the bourgeois stage of development. Trotskyism is usually associated with an unwavering commitment to internationalism and an anti-Stalinism that highlights the dangers of bureaucratization, as outlined in *The Revolution Betrayed* (1937).



**Richard Henry Tawney (1880–1962)** A British social philosopher and historian, Tawney championed a form of socialism that emphasizes (moral) equality, a common humanity and service, firmly rooted in a Christian social moralism that is unconnected with Marx's class analysis. Stressing the basic value of fellowship and a sense of community, Tawney argued that the disorders of capitalism derived from the absence of a 'moral ideal', leading to unchecked acquisitiveness and widespread material inequality. Tawney's major works include *The Acquisitive Society* (1921) and *Equality* (1931).

**Antonio Gramsci (1891–1937)** An Italian Marxist and revolutionary, Gramsci tried to redress the emphasis within orthodox Marxism on economic and material factors. In his major work, *Prison Notebooks* (1929–35), Gramsci rejected any form of 'scientific' determinism by stressing, through the theory of 'hegemony' (the dominance of bourgeois ideas and beliefs), the importance of political and intellectual struggle. While he did not ignore the 'economic nucleus', he argued that bourgeois assumptions and values needed to be overthrown by the establishment of a rival 'proletarian hegemony'.



**Herbert Marcuse (1898–1979)** A German political philosopher and social theorist, Marcuse portrayed advanced industrial society as an all-encompassing system of repression that subdues argument and debate, and absorbs all forms of opposition. Drawing on Marxist, Hegelian and Freudian ideas, Marcuse held up the unashamedly utopian prospect of personal and sexual liberation, looking not to the conventional working class as a revolutionary force but to groups such as students, ethnic minorities, women and workers in the developing world. His key works include *Eros and Civilization* (1958) and *One-Dimensional Man* (1964).

underlies ethical socialism has been based on both humanistic and religious principles. Socialism in France, the UK and other Commonwealth countries has been influenced more strongly by the **humanist** ideas of Fourier, Owen and William Morris (1854–96) than by the 'scientific' creed of Karl Marx. However, ethical socialism has also drawn heavily on Christianity. For example, there is a long-established tradition of Christian socialism in the UK, reflected in the twentieth century in the works of R. H. Tawney. The Christian ethic that

#### **HUMANISM**

A philosophy that gives moral priority to the satisfaction of human needs and aspirations.

has inspired UK socialism is that of universal brotherhood, the respect that should be accorded to all individuals as creations of God, a principle embodied in the commandment ‘Thou shalt love thy neighbour as thyself’. In *The Acquisitive Society* (1921), Tawney condemned unregulated capitalism because it is driven by the ‘sin of avarice’ rather than faith in a ‘common humanity’.

Such religious inspiration has also been evident in the ideas of liberation theology, which has influenced many Catholic developing-world states, especially in Latin America. After years of providing support for repressive regimes in Latin America, Roman Catholic bishops meeting at Medellin, Colombia, in 1968 declared a ‘preferential option for the poor’. The religious responsibilities of the clergy were seen to extend beyond the narrowly spiritual and to embrace the social and political struggles of ordinary people. Despite the condemnation of Pope John Paul II and the Vatican, radical priests in many parts of Latin America campaigned against poverty and political oppression and, at times, even backed socialist revolutionary movements. Similarly, socialist movements in the predominantly Muslim countries of North Africa, the Middle East and Asia have been inspired by religion. Islam is linked to socialism in that it exhorts the principles of social justice, charity and cooperation, and specifically prohibits usury or profiteering.

In abandoning scientific analysis in favour of moral or religious principles, however, social democracy weakened the theoretical basis of socialism. Social democracy has been concerned primarily with the notion of a just or fair distribution of wealth in society. This is embodied in the overriding principle of social democracy: **social justice**. Social democracy consequently came to stand for a broad range of views, extending from a left-wing commitment to extending equality and expanding the collective ownership of wealth, to a more right-wing acceptance of the need for market efficiency and individual self-reliance that may be difficult to distinguish from certain forms of liberalism or conservatism. Attempts have nevertheless been made to give social democracy a theoretical basis, usually involving re-examining capitalism itself and redefining the goal of socialism.

#### **SOCIAL JUSTICE**

A morally justifiable distribution of wealth, usually implying a commitment to greater equality.

### **Revisionist socialism**

The original, fundamentalist goal of socialism was that productive wealth should be owned in common by all, and therefore used for the common benefit. This required the abolition of private property and the transition from a capitalist mode of production to a socialist one, usually through a process of revolutionary change. Capitalism, in this view, is unredeemable: it is a system of class exploitation and oppression that deserves to be abolished altogether, not merely reformed. However, by the end of the nineteenth century, some socialists had come to believe that this analysis of capitalism was defective. The clearest theoretical expression of this belief was found in Eduard Bernstein’s *Evolutionary Socialism*

([1898] 1962), which undertook a comprehensive criticism of Marx and the first major attempt at Marxist **revisionism**.

Bernstein's theoretical approach was largely empirical; he rejected Marx's method of analysis – historical materialism – because the predictions Marx had made had proved to be incorrect. Capitalism had shown itself to be both stable and flexible. Rather than class conflict intensifying, dividing capitalist society into 'two great classes' (the bourgeoisie and the proletariat), Bernstein suggested that capitalism was becoming increasingly complex and differentiated. In particular, the ownership of wealth had widened as a result of the introduction of joint stock companies, owned by a number of shareholders, instead of a single powerful industrialist. The ranks of the middle classes had also been swollen by the growing number of salaried employees, technicians, government officials and professional workers, who were neither capitalists nor proletarians. In Bernstein's view, capitalism was no longer a system of naked class oppression. Capitalism could therefore be reformed by the nationalization of major industries and the extension of legal protection and welfare benefits to the working class, a process which Bernstein believed could be achieved peacefully and democratically.

#### REVISIONISM

The revision or reworking of a political theory that departs from earlier interpretations in an attempt to present a 'corrected' view.

Western socialist parties have been revisionist in practice, if not always in theory, intent on 'taming'

 <b>TENSIONS WITHIN... SOCIALISM (1)</b>		
<b>Communism</b>	<b>VS</b>	<b>Social democracy</b>
scientific socialism	↔	ethical socialism
fundamentalism	↔	revisionism
utopianism	↔	reformism
revolution	↔	evolution/gradualism
abolish capitalism	↔	'humanize' capitalism
common ownership	↔	redistribution
classless society	↔	ameliorate class conflict
absolute equality	↔	relative equality
state collectivization	↔	mixed economy
central planning	↔	economic management
vanguard party	↔	parliamentary party
dictatorship of proletariat	↔	political pluralism
proletarian/people's state	↔	liberal-democratic state

capitalism rather than abolishing it. In some cases they long retained a formal commitment to fundamentalist goals, as in the UK Labour Party's belief in 'the common ownership of the means of production, distribution and exchange', expressed in clause IV of its 1918 constitution. Nevertheless, as the twentieth century progressed, social democrats dropped their commitment to planning as they recognized the efficiency and vigour of the capitalist market. The Swedish Social Democratic Labour Party formally abandoned planning in the 1930s, as did the West German Social Democrats at the Bad Godesberg Congress of 1959, which accepted the principle 'competition when possible; planning when necessary'. In the UK, a similar bid to embrace revisionism formally in the late 1950s ended in failure when the Labour Party conference rejected the then leader Hugh Gaitskell's attempt to abolish clause IV. Nevertheless, when in power, the Labour Party never revealed an appetite for wholesale nationalization.

The abandonment of planning and comprehensive nationalization left social democracy with three more modest objectives: Social democrats support:

- The *mixed economy*, a blend of public and private ownership that stands between free-market capitalism and state collectivism. Nationalization, when advocated by social democrats, is invariably selective and reserved for the 'commanding heights' of the economy, or industries that are thought to be 'natural monopolies'.

The 1945–51 Attlee Labour government, for instance, nationalized the major utilities – electricity, gas, coal, steel, the railways and so on – but left most of UK industry in private hands.

- *Economic management*, seeing the need for capitalism to be regulated in order to deliver sustainable growth. After 1945, most social democratic parties were converted to Keynesianism (see p. 55) as a device for controlling the economy and delivering full employment.
- The *welfare state*, viewing it as the principal means of reforming or humanizing capitalism. Its attraction is that it acts as a redistributive mechanism that helps to promote social equality and eradicate poverty. Capitalism no longer needs to be abolished, only modified through the establishment of reformed or welfare capitalism.

An attempt to give theoretical substance to these developments, and in effect update Bernstein, was made by Anthony Crosland (1918–77) in *The Future of*

#### MANAGERIALISM

The theory that a governing class of managers, technocrats and state officials – those who possess technical and administrative skills – dominates both capitalist and communist societies.

*Socialism* (1956). He subscribed to **managerialism**, in believing that modern capitalism bore little resemblance to the nineteenth-century model that Marx had had in mind. Crosland suggested that a new class of managers, experts and technocrats had supplanted the old capitalist class and come to dominate all advanced industrial societies, both capitalist and communist.

The ownership of wealth had therefore become divorced from its control. Whereas shareholders, who own businesses, were principally concerned with profit, salaried managers, who make day-to-day business decisions, have a broader range of goals, including maintaining industrial harmony and upholding the public image of the company.

Such developments implied that Marxism had become irrelevant: if capitalism could no longer be viewed as a system of class exploitation, the fundamentalist goals of nationalization and planning were simply outdated. Crosland thus recast socialism in terms of politics of social justice, rather than the politics of ownership. Wealth need not be owned in common, because it could be redistributed through a welfare state that is financed by progressive taxation. However, Crosland recognized that economic growth plays a crucial role in the achievement of socialism. A growing economy is essential to generate the tax revenues needed to finance more generous social expenditure, and the prosperous will only be prepared to finance the needy if their own living standards are underwritten by economic growth.

### **The crisis of social democracy**

During the early post-1945 period, Keynesian social democracy – or traditional social democracy – appeared to have triumphed. Its strength was that it harnessed the dynamism of the market without succumbing to the levels of inequality and instability that Marx believed would doom capitalism. Nevertheless, Keynesian social democracy was based on an (arguably) inherently unstable compromise. On the one hand, there was a pragmatic acceptance of the market as the only reliable means of generating wealth. This reluctant conversion to the market meant that social democrats accepted that there was no viable socialist alternative to the market, meaning that the socialist project was reborn as an attempt to reform, not replace, capitalism. On the other hand, the socialist ethic survived in the form of a commitment to social justice. This, in turn, was linked to a weak notion of equality: distributive equality, the idea that poverty should be reduced and inequality narrowed through the redistribution of wealth from rich to poor.

At the heart of Keynesian social democracy there lay a conflict between its commitment to both economic efficiency and egalitarianism. During the ‘long boom’ of the post-1945 period, social democrats were not forced to confront this conflict because sustained growth, low unemployment and low inflation improved the living standards of all social groups and helped to finance more generous welfare provision. However, as Crosland had anticipated, recession in the 1970s and 1980s created strains within social democracy, polarizing socialist thought into more clearly defined left-wing and right-wing positions. Recession precipitated a ‘fiscal crisis of the welfare state’, simultaneously increasing demand for welfare support as unemployment re-emerged, and squeezing the tax revenues that financed welfare spending (because fewer people were at work and businesses were less profitable). A difficult question had to be answered: should social democrats attempt to restore

efficiency to the market economy, which might mean cutting inflation and possibly taxes, or should they defend the poor and the lower paid by maintaining or even expanding welfare provision?

This crisis of social democracy was intensified in the 1980s and 1990s by a combination of political, social and international factors. In the first place, the electoral viability of social democracy was undermined by deindustrialization and the shrinkage of the traditional working class, the social base of Keynesian social democracy. Whereas in the early post-1945 period the tide of democracy had flowed with progressive politics, since the 1980s it has been orientated increasingly around the interests of what J. K. Galbraith (1992) called the ‘contented majority’. Social democratic parties paid a high price for these social and electoral shifts. For instance, the UK Labour Party lost four successive general elections between 1979 and 1992; the SPD in Germany was out of power between 1982 and 1998; and the French Socialist Party suffered crushing defeats, notably in 1993 and 2002. Furthermore, the intellectual credibility of social democracy was badly damaged by the collapse of communism. Not only did this create a world without any significant non-capitalist economic forms, but it also undermined faith in what Anthony Giddens (see p. 329) called the ‘cybernetic model’ of socialism, in which the state, acting as the brain within society, serves as the principal agent of economic and social reform. In this light, Keynesian social democracy could be viewed as only a more modest version of the ‘top-down’ state socialism that had been discarded so abruptly in the revolutions of 1989–91.

## Neo-revisionism and the ‘third way’

Since the 1980s, reformist socialist parties across the globe, but particularly in countries such as the UK, the Netherlands, Germany, Italy, Australia and New Zealand, have undergone a further bout of revisionism, sometimes termed neo-revisionism. In so doing, they have distanced themselves, to a greater or lesser extent, from the principles and commitments of traditional social democracy. The resulting ideological stance has been described in various ways, including ‘new’ social democracy, the ‘**third way**’, the ‘radical centre’, the ‘active centre’ and the ‘*Neue Mitte*’ (new middle). However, the ideological significance of neo-revisionism, and its relationship to traditional social democracy in particular and to socialism in general, have been shrouded in debate and confusion. Its central thrust is nevertheless encapsulated in the notion of the third way, highlighting the idea of an alternative to both capitalism and socialism. In its modern form, the third way represents, more specifically, an alternative to old-style social democracy and neoliberalism.

### THIRD WAY

The notion of an alternative form of economics to both state socialism and free-market capitalism, sought at different times by conservatives, socialists and fascists.

Although the third way is (perhaps inherently) imprecise and subject to competing interpretations, certain characteristic third-way themes can nevertheless be identified. The first of these is the belief that

## Key concept

### Communitarianism

Communitarianism is the belief that the self or person is constituted through the community, in the sense that individuals are shaped by the communities to which they belong and thus owe them a debt of respect and consideration – there are no ‘unencumbered selves’. Though clearly at odds with liberal individualism, communitarianism nevertheless has

a variety of political forms. *Left-wing* communitarianism holds that community demands unrestricted freedom and social equality (for example, anarchism). *Centrist* communitarianism holds that community is grounded in an acknowledgement of reciprocal rights and responsibilities (for example, social democracy/Tory paternalism). *Right-wing* communitarianism holds that community requires respect for authority and established values (for example, neoconservatism (see p. 88)).

socialism, at least in the form of ‘top-down’ state intervention, is dead: there is no alternative to what the revised clause IV of the UK Labour Party’s 1995 constitution refers to as ‘a dynamic market economy’. With this goes a general acceptance of globalization and the belief that capitalism has mutated into an ‘information society’ or ‘**knowledge economy**’. This general acceptance of the market over the state, and the adoption of a pro-business and pro-enterprise stance, means that the third way attempts to build on, rather than reverse, the neoliberal revolution of the 1980s and 1990s.

The second key third-way belief is its emphasis on community and moral responsibility. Community, of course, has a long socialist heritage, drawing as it does, like fraternity and cooperation, on the idea of a social essence. While the third way accepts many of the economic theories of neoliberalism, it firmly rejects its philosophical basis and its moral and social implications. The danger of market fundamentalism is that it generates a free-for-all that undermines the moral foundations of society. Some versions of the third way, notably the so-called ‘Blair project’ in the UK, nevertheless attempted to fuse communitarian ideas with liberal ones, creating a form of communitarian liberalism, which in many ways resembled the ‘new liberalism’ of the late nineteenth century. The cornerstone belief of communitarian liberalism is that rights and responsibilities are intrinsically bound together: all rights must be balanced against responsibilities, and vice versa.

Third, supporters of the third way tend to adopt a consensus view of society, in contrast to socialism’s conflict view of society. This is evident, for example, in the tendency of community to highlight ties that bind all members of society, and thus to ignore, or conceal, class differences and economic inequalities. A faith in consensus and social harmony is also reflected in the value framework of the third way, which rejects the either/or approach of conventional moral and ideological thinking, and offers what almost amounts to a non-dualistic

#### KNOWLEDGE ECONOMY

An economy in which knowledge is supposedly the key source of competitiveness and productivity, especially in the form of information and communication technology.

 <b>TENSIONS WITHIN... SOCIALISM (2)</b>		
<b>Social democracy</b>	<b>VS</b>	<b>Third way</b>
ideological		pragmatic
nation-state		globalization
industrial society		information society
class politics		community
mixed economy		market economy
full employment		full employability
concern for underdog		meritocracy
social justice		opportunity for all
eradicate poverty		promote inclusion
social rights		rights and responsibilities
cradle-to-grave welfare		welfare-to-work
social-reformist state		competition/market state

world-view. Third-way politicians thus typically endorse enterprise *and* fairness, opportunity *and* security, self-reliance *and* interdependence, and so on.

Fourth, the third way has substituted a concern with **social inclusion** for the traditional socialist commitment to equality. This is evident in the stress placed on liberal ideas such as opportunity, and even meritocracy. Egalitarianism is therefore scaled down to a belief in equality of opportunities or ‘asset-based egalitarianism’, the right of access to assets and opportunities that enable individuals to realise their potential. Third-way proposals for welfare reform therefore typically reject both the neoliberal emphasis on ‘standing on your own two feet’ and the social democratic belief in ‘cradle to grave’ welfare. Instead, welfare should be targeted at the ‘socially excluded’ and should follow the modern liberal approach of ‘helping

#### **SOCIAL INCLUSION**

The acquisition of rights, skills and opportunities that enable citizens to participate fully in their society.

#### **COMPETITION STATE**

A state whose principal role is to pursue strategies for national prosperity in conditions of intensifying global competition.

people to help themselves’, or as Bill Clinton put it, giving people ‘a hand up, not a handout’. Welfare policies should, in particular, aim to widen access to work, in line with the US idea of ‘workfare’, the belief that welfare support should be conditional on an individual’s willingness to seek work and become self-reliant.

Finally, the third way is characterized by new thinking about the proper role of the state. The third way embraces the idea of a **competition state** or market state. The state should therefore concentrate on social

investment, which means improving the infrastructure of the economy and, most important, strengthening the skills and knowledge of the country's workforce. Education rather than social security should therefore be the government's priority, with education being valued not in its own right, because it furthers personal development (the modern liberal view), but because it promotes employability and benefits the economy (the utilitarian or classical liberal view). From this perspective, the government is essentially a cultural actor, whose purpose is to shape or reshape the population's attitudes, values, skills, beliefs and knowledge, rather than to carry out a programme of economic and social engineering. However, there are indications that the trend within social democracy towards revisionism may have been reversed in response to the 2007–9 global financial crisis, as discussed in the following section.

## Socialism in a global age

Some have regarded a discussion of socialism in a global age as a pointless exercise. Socialism is dead, and it is largely the dynamics unleashed by globalization that have brought about its demise. From this perspective, globalizing tendencies can be seen to have both brought about the collapse of communism and precipitated a further bout of social-democratic revisionism. Orthodox communism was weakened by the tendency of economic globalization to bolster growth rates in the capitalist West from the 1980s onwards, thereby widening material differentials between capitalism and communism. In conjunction with increased media penetration in eastern Europe, which helped to spread pro-western and pro-capitalist values and appetites, this served to fashion the conditions in which the revolutions of 1989–91 took place. In the case of social democracy, 'accelerated' globalization undermined its economic viability in a variety of ways. These included that traditional social democracy had been based on the assumption that governments can regulate economic activity within their borders, especially through the use of Keynesian strategies designed to stimulate growth and maintain full employment. However, the progressive integration of national economies into a larger, global capitalist system has weakened governments' capacity to manage their economies, perhaps rendering 'national Keynesianism' obsolete. Moreover, intensified global competition created pressure on governments to reduce tax and spending levels – particularly, by reforming the welfare state – and to promote labour flexibility. The advent of neo-revisionism can be understood very much in this context, third-way thinking having largely been shaped by attempts by social democrats to come to terms with globalization (Giddens, 1998). If globalization is an irresistible force, and if globalization is intrinsically linked to neoliberalism, socialism would appear to have been consigned to what Trotsky (see p. 125), in very different circumstances, called the 'dustbin of history'.

However, socialists with a longer sense of history are unlikely to succumb to this despondency. Just as predictions at the beginning of the twentieth century about the inevitable victory of socialism proved to be flawed, so proclamations about the death of socialism made in the early twenty-first century are likely to be unreliable. Indeed, as recently as the 1960s it was free-market liberalism that

was considered to be redundant, while socialism appeared to be making irresistible progress. Hopes for the survival of socialism rest largely on the enduring, and perhaps intrinsic, imperfections of the capitalist system. As Ralph Miliband put it in *Socialism for a Sceptical Age* (1995), ‘the notion that capitalism has been thoroughly transformed and represents the best that humankind can ever hope to achieve is a dreadful slur on the human race.’ In that sense, socialism is destined to survive if only because it serves as a reminder that human development can extend beyond market individualism.

Moreover, globalization may bring opportunities for socialism as well as challenges. Just as capitalism is being transformed by the growing significance of the transnational dimension of economic life, socialism may be in the process of being transformed into a critique of global exploitation and inequality. Indeed, socialism may be particularly well positioned to make sense of the new global age, having long shown an awareness of the pressures and tendencies that have served to create it. For example, Marx and Engels can be seen as the earliest theorists of economic globalization, as the *Communist Manifesto* emphasizes that capitalist development always has a marked transnational character. They thus argued that the desire for profit would drive capitalism to ‘strive to tear down every barrier to intercourse’ and to ‘conquer the whole Earth for its market’.

Marxist and neo-Marxist theories have also been used to highlight asymmetrical tendencies, and therefore deepening divisions, within the modern global system. World-systems theory, devised in particular by Immanuel Wallerstein (1974, 1984), suggested that the world economy is best understood as an interlocking capitalist system which exemplifies, at the international level, many of the features that characterize national capitalism; that is, structural inequalities based on exploitation and a tendency towards instability and crisis that is rooted in economic contradictions. The world-system consists of interrelationships between the ‘core’, the ‘periphery’ and the ‘semi-periphery’. Such thinking about the inherent inequalities and injustices of global capitalism has been one of the key influences on the anti-globalization, or ‘anti-capitalist’, movement that has emerged since the 1990s. In these ways, socialism in the twenty-first century may be reborn as global anti-capitalism (see p. 161), a trend that has been particularly apparent since the global financial crisis. A resurgence of leftist radicalism was thus evident in the upsurge of the Occupy movement, which in 2011 organized demonstrations in some 82 countries protesting against the dominance of ‘the 1 per cent’.

Evidence of a revival of socialism can also be seen at the national level. In some cases, radical leftist parties have come from seemingly nowhere to challenge mainstream parties of both the centre-left and the centre-right. For example, Syriza (the Coalition of the Radical Left), founded in 2004, became the largest party in the Greek parliament in elections in January and September 2015, its chairman, Alexis Tsipras, becoming prime minister. In Spain, the far-left party Podemos (We can), founded in 2014, gained the third largest number of votes and the second largest number of seats in the 2015 parliamentary elections. In other cases, upsurges of

## Key concept

### Anti-Politics

'Anti-politics' refers to a rejection of, and/or alienation from, conventional politicians and political processes, especially mainstream political parties and established representative mechanisms. One manifestation of anti-politics is a decline in civic engagement, as citizens turn away from politics and retreat into private

existence. This is reflected most clearly in a fall in voter turnout and a decline in levels of party membership and party activism. However, anti-politics has also spawned new forms of politics, which, in various ways, articulate resentment or hostility towards political structures and offer more 'authentic' alternatives. These include the rise of 'fringe' parties and the emergence of 'populist' political leaders, whose attraction is substantially linked to their image as political 'outsiders' untainted by the exercise of power.

radicalism have occurred within established parties of the centre-left. In the UK, Jeremy Corbyn, a veteran of the Labour Party's hard left, emerged as the surprise victor in the party's 2015 leadership election, while in the USA Bernie Sanders, a self-declared socialist, was only narrowly defeated by Hillary Clinton in the contest to become the Democratic nominee in the 2016 presidential election.

Despite national and regional differences, two wider explanations can be advanced for these developments. The first has been a backlash against the politics of austerity, which was widely adopted as economies fell into recession and tax revenues plummeted in the aftermath of the global financial crisis. In countries such as Greece, Spain and Portugal, this was exacerbated by the terms of bailout arrangements that were negotiated with the EU, the IMF and the European Central Bank. The second factor is that far-left parties and movements have tapped in to the growing mood of anti-establishment radicalism, sometimes called 'anti-politics', that stems, in part, from a narrowing of the ideological divide between left- and right-wing parties. This, in turn, has been one of the consequences of the advance of globalization. In this light, resurgent socialism can be seen as part of the wider rise of populism (see p. 92) since the beginning of the twenty-first century.

## QUESTIONS FOR DISCUSSION

- What is distinctive about the socialist view of equality?
- Why do socialists favour collectivism, and how have they tried to promote it?
- Is class politics an essential feature of socialism?
- What are the implications of trying to achieve socialism through revolutionary means?
- How persuasive is the socialist critique of private property?
- What are the implications of trying to achieve socialism through democratic means?
- On what grounds have Marxists predicted the inevitable collapse of capitalism?
- How closely did orthodox communism reflect the classical idea of Marx?
- To what extent is socialism defined by a rejection of capitalism?
- Is social democracy really a form of socialism?
- Is the social-democratic 'compromise' inherently unstable?
- Can there be a 'third way' between capitalism and socialism?



## FURTHER READING

McLellan, D., *Marxism after Marx* (2007). An authoritative and comprehensive account of twentieth-century Marxism and more recent developments that also contains useful biographical information.

Moschonas, G., *In the Name of Social Democracy – The Great Transformation: 1945 to the Present* (2002). An impressive and thorough account of the nature, history and impact of social democracy that focuses on the emergence of 'new social democracy'.

Sassoon, D., *One Hundred Years of Socialism* (2013). A very stylish and detailed account of the life and times of democratic socialist ideas and movements.

Wright, A., *Socialisms: Theories and Practices* (1996). A good, brief and accessible introduction to the basic themes of socialism, highlighting the causes of disagreement within the socialist family.