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# A Symposium

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**Robert Heilbroner**

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## FROM SWEDEN TO SOCIALISM

A Small Symposium on Big Questions

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**I** have recently posed a question to which I have no answer, but which seems to me to go to the heart of the outlook for democratic socialism, at least in the advanced capitalist countries. The question is: how far beyond the borders of what I call “real but slightly imaginary Sweden” would we have to go before a visitor to that land knew that he or she was in a socialist, not a capitalist, country?

Let me suggest some of the more obvious answers—and the problems they raise:

1. A small number of large corporations constitute the dynamic core of the Swedish economy. Would these corporations have to go? With what would they be replaced? The one thing we know is that they should not be nationalized. Then how governed? Or if dismantled, into what sorts of units, themselves how governed?

2. Sweden has a large and generous public sector. Its purpose, however, is to provide the amenities needed in a capitalist economy, not those of a socialist society. The difference, I should think, is that a socialist public sector would aim at “decommodifying” labor—removing the necessity for performing unwellcome work. If so, how would these wide-ranging entitlements be provided? What would be their effect on economic and social life?

3. Sweden is closely entwined in the world capitalist market. To extricate itself would re-

quire an extensive change—I will not say “fall”—in its living standards. Wasteful private consumption would have to yield to economical public consumption, automobiles making way for busses and trains, washing machines for Laundromats. How can a population that clearly enjoys its wasteful standard way of life be persuaded to make such a change?

4. Bourgeois life itself may be a matter of concern. Sweden is a highly pragmatic, comfort-minded, nonideological place. Is that a culture that socialism would seek? What other?

There are no doubt many ways in which Sweden would have to change before the imaginary land to which we refer was unmistakably socialist. To indicate those ways, and to consider their economic and political costs, seems to me the manner in which democratic socialists should measure the challenge of the coming decades.

**I**rving Howe adds: *Let me supplement Bob Heilbroner's cogent questions with another, perhaps preliminary to his, which our critics, and perhaps some friends, would ask: if we imagine so advanced and attractive a welfare state as the “Sweden-plus” that he postulates, would there be any reasons still to wish to move further toward a socialist society? If so, what would those reasons be?*

### Joanne Barkan

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**P**oking around Slightly-Imaginary-Sweden (SIS), even the skeptical socialist is impressed. A solidaristic wage policy (centralized bargaining to achieve equal pay for equal work nationwide) forces unproductive enterprises to shape up or go under. This boosts overall economic efficiency. Strong tax incentives pull profits into reinvestment, further raising productivity and creating jobs. Intelligent labor market policies (job training and placement, subsidies for worker relocation, and so on) hold unemployment down to statistically irrelevant levels.

Because the transition to new jobs is eased, a powerful democratic labor movement cooperates in industrial rationalization, once again increasing efficiency and growth. Surplus from this dynamic economy is used to protect the environment. The surplus also supports a system of universal, high quality social welfare programs that are decentralized enough to be "user-friendly." Good education builds a skilled work force. Progressive tax policies shrink income inequalities, which keeps the market from listing too heavily toward luxury goods. Public agencies oversee the immense pension funds, thereby exercising some democratic control over investment.

National legislation prevents arbitrary firings, requires worker representation on the boards of directors of all firms, allows workers to halt production if they find unsafe conditions, and obliges employers to negotiate with local unions before implementing major changes.

After living under this system for some decades, most SIS citizens hold dear the values of equality, social justice, solidarity, democracy, and freedom. Images of the homeless on the streets of New York shock them. They pressure their government to increase aid to the Third World. They point with pride to the fact that the overall health of SIS children in the bottom 10 percent income group is identical to that in the top 10 percent. During their six weeks of vacation each year, SISers love to travel abroad. But they return convinced that their system best implements basic values.

Life is sweet in SIS. Why go beyond? The

socialist points out that because most industry is privately owned, the system is vulnerable. The left government and unions try endlessly to accommodate private capital. Not only must profits be high, private owners and investors must be persuaded that they will benefit more by staying in SIS than by moving. This gives them excessive economic power and political leverage. But no matter how well the SIS system performs, private capital will defect if it perceives significant advantage elsewhere. National loyalty is a myth. (The current flight of capital from real Sweden into the EEC countries is sad proof.) The gains made in SIS remain precarious.

The socialist has other reasons for wanting to move beyond SIS. First, she would like to break up concentrations of wealth and power in order to promote democracy. Second, she believes that people can have substantial control over their work life only if the workplace belongs to them. Third, although SIS wins high marks for equalizing life opportunity, redistributing wealth, and fostering fine (socialist) values, the socialist thinks even more could be done.

What structural changes does the socialist propose? The innovations must do more than upgrade SIS (more than, say, improve day care or make taxes more steeply progressive); they must transform capitalist SIS into a socialist country. Forms of ownership must change, and the scope of markets be reduced.

The socialist recommends enlarging SIS's small socialized sector. Under the new system, the state would own enterprises in key industries as well as natural monopolies (the telephone system, power companies, railroads, and so on). Socialization would keep concentrations of power and wealth out of private hands, give the government and labor movement more control over the economy, and prevent capital flight.

But the skeptical socialist acknowledges serious problems. The inevitable oversight agencies can undermine freedom of initiative for the managers of socialized firms. Assess-

ment of responsibility becomes difficult. Even if a good managerial culture develops in the socialized sector, the entrepreneurial function, essential to a dynamic economy, may be lost. The socialist doesn't value efficiency, competitiveness, and economic growth for themselves, but rather wants enough of these to fund the institutions that make social justice and equality possible. No socialist party wins a free election with a program of enforced autarky for a state-controlled economy.

So the socialist suggests an alternative form of ownership—workers' cooperatives. Cooperatives, too, break up concentrations of power and wealth and prevent capital flight. They give people the greatest control over their work life, eliminate unearned income, and encourage participation. The decision is made to expand SIS's existing cooperative sector until co-ops are the dominant form of ownership.

**U**nfortunately, new difficulties develop. Co-ops within an industry can compete ruthlessly; some knock out others, leading to new concentrations of wealth and power; some worker/members may resort to extreme self-exploitation. The socialist proposes laws to counter monopolization and to protect workers from themselves. But more serious imbalances emerge: cooperatives resist taking in new members in order to keep profits per member as high as possible. Labor mobility decreases throughout the economy. Co-ops also resist labor-saving technology, undermining overall efficiency.

Then Co-op A decides to invest its surplus in Co-op B, turning Co-op A members into capitalists. Co-op A has the possibility of becoming a powerful conglomerate. Laws are passed to prevent one co-op from investing in another. But this immobilizes capital, and the economy may lose its dynamism. Finally, an economy dominated by cooperatives doesn't have labor unions uniting workers both industry wide and throughout the economy. There is no solidaristic wage policy and therefore none of its far-reaching benefits.

Needing respite from the ownership question, the socialist considers the market and its noncapitalist alternative, planning. Compre-

hensive planning—including price setting, production quotas, and the allocation of capital, raw materials, and intermediate goods between firms—is rejected. No one can fathom how to make such a system work, with its built-in inefficiencies, shortages, impossible data requirements, arbitrary prices, and inadequate criteria for evaluation.

The socialist advocates a lighter touch. The government will shape economic development by phasing out declining industries and promoting new ones with tax credits, discounted interest rates, and direct subsidies. The socialist keeps in mind that too much intervention will undercut market discipline and the economy will be dragged down by inefficient firms that don't cover their costs.

Until convinced that something else will work, the socialist opts for a level of planning and an economy of mixed ownership that resembles more than anything else . . . well . . . SIS. The socialized sector has been enlarged a little to ensure socially useful production that the market neglects. Rigorous legislation promotes small businesses and disperses large concentrations of economic power. The co-op sector might be somewhat larger. And perhaps ways are found to root socialist values more deeply.

Our socialist is anything but satisfied. The fundamental contradiction of the system hasn't been resolved. Improved SIS is still vulnerable to capital flight. Investors might cut out anytime for places where the wages are lower, the regulations fewer, and the ethos less egalitarian—thus confirming the dictum that it's difficult to maintain SIS in just one country. The only solution is to operate in an international market where SIS conditions predominate. What SIS needs is Very-Imaginary-Europe (VIE).

So the socialist joins the movement to build VIE—yet all the while is plagued by doubt: if an ever-improved SIS depends on the dynamism of private enterprise, how can the system ever be called socialism? The response for now is another question: if the system is equally characterized by the decommodification of human needs, market regulation, and the redistribution of wealth and power, can it still be called capitalism?

## H. Brand

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I accept for the sake of argument Bob Heilbroner's way of posing his initial question, although he phrases it in terms (so it seems to me) of two separate, static forms of social governance—when in reality, capitalism and socialism are processes that interact and are carried on by social groups or classes in sometimes cooperative, often hostile ways. Furthermore, although I sympathize with Heilbroner's need to limit the analysis by restricting the outlook for democratic socialism to the advanced countries, we must note that much of the renewed dominance of capital stems from the enormous pressures on wages and social entitlements exerted by the competition of the poorer countries and the seemingly unstoppable migration of their redundant work force. So the questions Heilbroner raises have too narrow an ambit, they are too abstract, and I don't see where they go "to the heart" of the outlook for democratic socialism. Yet I'll try to deal with them briefly, one reason for this being that I cannot formulate them much better.

1. *Corporate structure.* This question cannot be cogently answered in ignorance of the cultural and historical setting of a given society. My inclination is to reduce the influence of shareholders drastically, because shareholders are not producers, and to reinvest or tax away dividends. But how would management then be controlled? Can it be inspired by an ethos of social responsibility? Would a tripartite board of directors—representatives of the public, labor, and major consumer groups—be effective? How could a progressive role for its financiers—the banks, the state perhaps, the capital markets—be ensured? I believe these are problems for an evolutionary socialism, for a kind of Deweyite social intelligence. Even Keynes did not despair of them, although his historical vision was foreshortened.

Furthermore, I believe that the state must ultimately guide all *major* investment in productive equipment and structures, human resources, and social infrastructure. This role for the state remains, notwithstanding all that

has happened in Eastern Europe, a central problem, perhaps the central problem for social democracy and democratic socialism.

2. *Decommodifying labor.* At a time when labor is increasingly threatened by *recommodification*, as witness the weakening of trade unions, the stagnation of purchasing power, the erosion of social entitlements, should we be concerned about people refusing "unwelcome" labor as a core problem of a socialist society? The abstractness with which Heilbroner poses the question, disturbs me. Also, he overlooks the fact that the refusal to perform unwelcome labor has been recognized even in American labor law. Unemployment compensation cannot be refused to a jobseeker who declines work outside his or her regular occupation. It is true that this has been more and more circumvented. A jobseeker can no longer decline lower-paid work without endangering his or her compensation rights; employers can readily find persons (for example, immigrant foreigners) for whom no work is unwelcome.

The decommodification of labor is one of those processes, alluded to earlier, in which capitalist requirements and labor's—or socialist—objectives clash. In *Politics Against Markets: The Social Democratic Road to Power*, Gosta Esping-Andersen writes:

Social democratic class formation . . . is first and foremost a struggle to decommodify labor and stem market sovereignty in order to make collective action possible. Only when workers command resources and access to welfare independently of market exchange can they possibly be swayed not to take jobs during strike actions, [and] underbid fellow workers. . . .

Esping-Andersen defines the decommodification of labor in terms of collective social services, unemployment and sickness compensation, employment security, and general income maintenance. The attainment of these entitlements represents more than the creation of "amenities" in a capitalist economy. It also diminishes the reach of the market and the domination of capital over resources. It establishes, if you will, a socialistic terrain,

although this terrain remains contested by privatization drives.

3. *Integration in the world market.* Here I cannot follow Heilbroner's argument. He seems to believe that in order to establish socialism, his imaginary Sweden must disentangle itself from the world market, and that this would entail a change if not a decline in its standard of living. He evidently rejects the notion that socialism without autarky is possible. The evidence for this notion is the autarkic regimes of Eastern Europe, all of which closed themselves off against the world markets and all of which broke down. This implies that either your economy is integrated in the world market—then you can have a high standard of living, but no socialism. Or it protects itself against the world market—then your standard of living won't be great, but you'll have socialism. I believe this to be a false dilemma.

The history of international institutions over the past century depicts a struggle to curtail the reach of the world market or at least to regulate it. No matter that this effort more often failed than succeeded; it was perennially renewed. I cite only the work of the International Labor Office in setting work standards and seeking adherence to the codes to which its member countries agree. Perhaps standards of living in the "advanced" countries will have to be reduced—but not so as to bring socialism to an imaginary Sweden. Rather, the threat of political instability and migration pressure may

well make large-scale investment and consumption aid imperative (as the recent \$3 billion loan by Germany to the Soviet Union indicated); and such aid can only be extended at the expense of living standards now enjoyed in the potentially aiding countries. It would be a manifestation of worldwide socializing tendencies; I am sure that Gunnar Myrdal would have so interpreted this development, and that Willy Brandt would be inclined to do so, and would even urge its intensification.

4. *Bourgeois life.* If living standards may be capped or reduced due to the imperatives of an international redistribution of income, they may also be impinged upon by environmental concerns, unless technologies are developed and resource planning is instituted that overcome such concerns and enable a shift in standards of comfort rather than necessitate a cut in them.

But leave these considerations aside; Heilbroner implies a civilizational change, even as he speaks of a "visitor" who, after all, "envisages" or sees two different societies, one capitalist, the other socialist. And what symbolizes the heart of their difference better than, for capitalism, the New York skyline and the power of capital it proclaims, and, for the socialist future, the campuslike setting of more and more industries, indicating their knowledge-based activities? The intelligence of power being displaced by the power of intelligence—that would be the promise of a civilization based on democratic socialism.

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### Mitchell Cohen

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**W**hy go beyond an advanced welfare state—beyond what Robert Heilbroner calls "real but slightly imaginary" Sweden? How would the passage from welfare state to "socialism" be manifest?

To create a more democratic society. By expanding substantive, that is, social and economic in addition to political, democracy.

If we postulate that these aims are pursued by reformist means, then the "goal" would not be evident at first glance; nor would there be a "last glance" upon something comprehensively

defined. Jean Jaurès provided the metaphor (which I'll amplify): a hemispheric border is not immediately visible to passengers on a ship as they cross the sea. Conflicting gales may press them back and forth, tempestuous travel trying the craft's seaworthiness. Yet if they persist, the voyagers eventually perceive that new waters have been reached.

These new waters are not enclosed. Nor are they frozen. They do not represent an *endziel*, or final goal, but rather an opening of possibilities. The point, to paraphrase Marx, is

and to engender as much flexibility and mobility within the division of labor as possible.

Finally, the array of public institutions we identify nowadays with the welfare state would exist, but the principles governing them would be those of social citizenship. To retrieve Jaurès's maritime metaphor: citizens would see themselves in the same boat, and not just politically.\* This would be expressed in the type of society fashioned, its values (I stress the plural), its social and human

relations—a community, but without a reified *endziel*.

A caveat. The fate of Sweden's economy, which is heavily export oriented, will be substantially dependent on current processes of European integration, even though Sweden is not a European Community member. The only alternative scenario is, to say the least, implausible: an egalitarian autarky, which would likely require both authoritarianism and plummeting living standards—a nordic Albania, as it were. Consequently, the future of socialism in Sweden, no less its welfare state, will be conditioned by the general complexion taken on by Europe as a whole in the coming years.

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\* For a somewhat different application of Jaurès's metaphor to Sweden, see Adam Przeworski's *Capitalism and Social Democracy*, Cambridge University Press.

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## Lewis Coser

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**T**he term “scientific socialism” is an oxymoron. Science pertains to the study of what is, whereas socialism is a vision of what can or should be. To deny scientific status to socialism is not to denigrate its central importance. It provides indispensable guiding images without which our lives would become appallingly drab, and hardly worth living. Utopian visions are not merely frosting on the cake but a major part of its substance.

Socialism, its Marxian forebears notwithstanding, is one of a variety of utopian ideas. Utopia is, of course, nowhere, but ever since Plato's Republic, the counterimage of a perfect society has served to provide regulative ideas for a society more decent, more just, more fraternal than the present. Each society produces the utopia it deserves.

One of the least appealing aspects of contemporary society is its technocratic fixation and its lack of social vision. August Bebel once complained about what he called the damned wantlessness of the poor. In our days, it is not only the poor who lack transcending vision, but even intellectuals have largely deserted their mission to provide utopian images that transcend current habits of thought. They are for the most part timid souls who are scared to stray too much from the well-trodden path. In America, the utopian image has been

in retreat since the early days of the New Deal. What has been initial retreat has now become a full-scale rout. It seems that, according to the major current thoughtways, anybody who strays from the common paths as theorized by Milton Friedman leads us straight to the gulag.

The greatest challenge to the idea of socialism at the moment does not just come from doctrinaire defenders of the alleged benefits of free markets. It comes from large sections of intellectuals who have of late emerged in Eastern Europe. These men and women have suffered for many years from totalitarian regimes that had the effrontery to call themselves socialist. It is hence not astonishing that many of these intellectuals have turned away from what they conceive socialism to be and have come to extol the free market. Free and unhampered market enterprise is, to be sure, found only in textbooks. What these East European intellectuals perceive as the essence of a free-market society may well be a fatal distortion, but it still has the power to do untold harm to the idea of socialism and of a good society.

Some thirty-five years ago Irving Howe and I wrote an essay for *Dissent* that was meant to provide rough guidelines to what we believe to be the main components of a good society. We called this paper “Images of Socialism.”

"God," we quoted Tolstoy, "is the name of my desire," I see no reason why we should surrender this pregnant hope to all the current Eastern and Western enemies of social promise. Socialism is a guiding and regulative idea. It cannot as such ever be realized fully, but it can serve as a measuring rod for comparing the present with what can be attained through a politics of democratic participation in a fraternal self-governing society. The image of socialism is a yardstick

that keeps us honest when we attempt to assess the ailments and tragic consequences of the here and now. The Utopian image of the "good society" can serve as a stimulant for constructive moral change, even though it cannot be fully implemented. At every step on the road we will discover new tasks, which come into view when some of the old goals have been attained. The utopian socialist vision can spur us on even as it leads us to discover new challenges along the way.

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### Bogdan Denitch

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**W**ithout an imaginative utopian dimension, socialist thought remains excessively rooted in the present. It ends up as something very worthwhile, that is, the reform of the existing system; but it remains restricted to what is "realistic" within the existing order. The borders of the possible are not even tested. That kind of "realism" has almost destroyed West European socialism, leaving behind reasonable but dull administrators of a more humane capitalism within welfare states.

The problem in thinking about a socialist society or program is how to make such a society seem possible and desirable to human beings who have been shaped by the present culture and social order. This is a major problem, because the cultural hegemony of the capitalist order is now probably stronger than it has been at any point since the industrial revolution. To be sure, the Social Democratic parties increasingly solve that problem by not worrying much about any kind of socialist future and meanwhile doing what they do rather well, that is, defend the welfare state.

Mass literacy and state-controlled education, combined with a commercialized mass culture, successfully hasten the retreat of the autonomous cultures that had been built up by the industrial working class. The autonomy provided by homogeneous working-class neighborhoods, with their pubs, clubs, political organizations, and associations linked to left parties and unions, is for the most part, throughout Western Europe and North America, either vanishing or disintegrating. The

majority of even left voters in advanced industrial societies today have been socialized to accept a whole range of assumptions of a capitalist civilization about what is possible and desirable, how one should live one's life, and what is the necessary minimum of material goods. Traditional solidarities of class, occupation, and workplace are replaced by possessive individualism. Left politics increasingly resorts to talking about resentments of segments of the population and the unfairness in the distribution of the benefits of increased productivity rather than raising universalist egalitarian demands and a vision of a radically different organization of production and leisure. To raise such demands is considered unrealistic, but failing to do so destroys the moral and emotional basis of the movement.

Mass socialist politics in the late nineteenth and twentieth centuries had been rooted in an autonomous working-class subculture, which, whatever its inadequacies, provided an alternate political socialization for generations of socialist, trade unionist, and broadly radical democratic activists. The present urban community, by contrast, is atomized, collective goals are mobilized in the service of the existing order, and the idea that the common good may require sacrifice and effort is replaced by notions of self-fulfillment, often through individual advancement and accumulation of possessions. This process extends to all organizations of citizens in the modern capitalist democracies, so that parties, voluntary associations, and unions become goods to be

passively consumed and democracy an exercise in consumer choice rather than a process requiring active participation by an informed citizenry.

Although a high degree of organization is not required to disrupt and even topple an existing political order, it is required for constructing an alternate order. That is one of the recent lessons from Eastern Europe and even the Soviet Union. I believe that only in societies with a high degree of autonomous self-organization and a thick set of overlapping movements and institutions, does it become possible to think of moving beyond the limits that capitalist civilization sets. These limits are “set” mostly in the minds of the public. To be sure, they are limits considerably more flexible than the traditional left used to believe. When faced with dangerous alternatives, advanced egalitarian and welfare-state measures may well be accepted. However, the intellectual hegemony of the capitalist system signifies an ability to define what is “objectively” possible to do in society.

**T**his is why Robert Heilbroner has done something useful by asking us to imagine what could, or rather should, lie beyond the present reformist valhalla, the Swedish welfare state. We are asked to think about a real place, or an almost real place, a more advanced Sweden, and that gives us an implicit time frame, presumably a few decades. What can be counterposed to the hegemony of the capitalist culture are the independent organizations and social movements that accept at least partially different values. The most massive example of such an organization that has, even if to a limited extent, alternative values is the Swedish labor movement. It is *that* which makes Sweden different and “special” for me, not the welfare state per se. After all, advanced welfare states exist in other Scandinavian countries and Holland. Germany, France, Belgium, and Italy also have relatively advanced welfare states with a fair degree of control over capital as a minimal norm of civilized behavior.

What is unique about Sweden and makes it *possible* to think of it as a site for a project

beyond the welfare state are not just its generous social provisions or high living standards but rather the massiveness of its labor movement. It organizes so high a percentage of the working population as to be qualitatively different from all other social democracies and welfare states. The figure for the trade unions is 85 percent of all employed! That is, 90 percent of all production workers. No other country begins to approach these figures. Such figures affect other political statistics, including the proportion of social democratic voters who are members of the party, the cooperative movement, the women’s organizations, and so on. This degree of organization makes it possible to answer other questions about what might be done in a near-Sweden.

Such mass organization determines what popularly supported measures can be undertaken without being brought down by the invisible but very real power of capital even in an advanced welfare state. It is the very real threat of a “strike of capital” backed up by the world capitalist order that acts as the real limit on how far one can move beyond the welfare state.

The only way to counter the potential veto by capital of any major move on the part of a left government is massive popular organizations of the type that the Swedish labor movement possesses. In Sweden labor can block attacks on the welfare state, and it can block attempts by capital to sabotage legislation. Imagine a political strike in a country where 85 percent of the work force is organized! Its numbers give it strength, and its solidaristic wage policies, which have reshaped the Swedish income distribution toward greater equality, give it moral weight. Unlike, for example, the Anglo-Saxon unions, Swedish labor did not favor the better-placed and more powerful unions; instead, it pushed for increases across the board as a conscious decision to reduce wage differentials between skilled and unskilled, between women and men. That is, it rejected the capitalist competitive norms when determining its strategy.

What a labor movement can do in Sweden is also limited by what it can convince the majority of the electorate to accept. At this time, there is a standoff. Proposals to move



beyond the welfare state, and there were such during the seventies, did not win a convincing majority. Therefore, quite properly, the Meidner plan (which would effectively have abolished capitalism through wage-earner funds) is on a back burner for the time being. I think it will be revived.

**T**he real question is: what would one need to see Sweden or any other country as moving toward socialism? My somewhat simplified answer is that Sweden would have to move in two major directions. The first is to effectively expand control over the workplace through councils that involve the vast majority of workers in making day-to-day decisions about their work life, personnel decisions, and the overall direction their enterprises should take. Such bodies should control management and be regarded as the economic counterpart to local self-government. The second is to abolish the present concentrations of private ownership. Mixed forms of property ownership—private, public, and cooperative—along the lines de-

scribed by Alec Nove make good sense. Clearly great concentrations of private wealth are incompatible with socialism or, for that matter, democracy. While very steep progressive taxation combined with an almost confiscatory inheritance tax could alleviate this problem, in the more advanced welfare states we still have the question of the social and political effects of great concentrations of wealth.

Gross differences in wealth and income are unacceptable from the point of view of either equity or democratic theory. Wealth tends to translate into political and social power. Democracy cannot exist in any meaningful sense when there are gross disparities in political power. That argument is so obvious and well established that it provides today the most effective language with which to express the socialist argument—the language of democracy. Thus my ultimate argument is that the welfare state should move in a socialist direction so as to complete the democratic transformation of society.

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### Ferenc Fehér and Agnes Heller

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**T**he demise of communism after the revolutions of 1989 has been, understandably, hailed by the right as the ultimate “proof” of the fiasco of the socialist idea as a whole. More surprising than the rightist glee is the self-querying mood of many noncommunist socialists who, precisely now, want to find metaphysical or sociological “proofs” and “guarantees” of the survival and longevity of their movement. But there are no such guarantees. Every culture prior to ours harbored influential trends that at some point lost their vitality and vanished, for various reasons. Our culture is no exception. It is entirely in the hands of socialists here and now whether their great movement, which has molded modernity for two centuries, is doomed to extinction or whether socialism will find the inner energy for rejuvenation.

Viewed in perspective, social democrats and libertarian socialists of all hues should now

have ample reason for joy. The scarecrow, whose presence has always triggered the accusation of conspiring to introduce a government of terror, leveled against them whenever they proposed social change, is now gone. Yet it seems as though old-time democratic socialists, enemies of communism for reasons of principle, are anxious rather than relieved. This perplexity of (noncommunist) socialism is a highly revealing feeling, conveying the message that noncommunist socialism has not faced seriously the complex issue of the historic achievements and internal limitations of its own theory and politics. The critique of communism seemed to have spared socialism this unpleasant task, which can no longer be postponed.

Above all, socialism does not seem to have made an honest inventory of its contribution to the “normal” development of modernity. Even if socialists completely disinherit communism

as an intruder into their family, even if, as a result, they accept no responsibility for communism's crimes, the fact still remains that the socialist contribution to normally developed modernity has been dangerously curtailed so far in several areas.

Their major claim to recognition—one without which the “Roman degeneration” of modernity into Caesarism on the one hand and the permanent indigence of the industrial proletariat on the other would have been inescapable—is the legitimization of “the social question.” The neglected needs of the working classes, as well as of those who have been forced to idleness, enjoys, for the first time in recorded history, a pride of place on the political agenda only as a result of the socialists' stubborn campaigning. This achievement is their glory.

The socialists provided the idea of relative equality and that of social justice with a balanced meaning beyond extremist excesses. They have, furthermore, contributed to the development of parliamentary democracy in the nineteenth, and in Spain and Portugal even in the twentieth, century by mobilizing the proletariat, initially an outcast of civil society and almost completely uninterested in politics, to transform itself into an electoral constituency and boost its social and economic power. However, socialism accepted ready-made the idea and the *modus operandi* of democracy, and it has added virtually nothing to democratic theory and practice. The indifference to and often contempt for liberalism felt by many socialists blinded them to the moblike features and the totalitarian potentials of democracy. Perception of the latter has been traditionally regarded as “aristocratism” among socialists who were committed democrats.

For the most part, the economic system of modernity developed without their participation other than as critics, which was, admittedly, a crucial function. Even when the socialists did not harbor ideas of radical utopias of a marketless society, they have, for good reasons, always considered the market a necessary evil and, rightly, market logic the principle of a continually reproduced inequality. The only economic strategy they felt affinity with, and whose agents proper they were when in

government, was the Keynesian. Their traditional, and perfectly legitimate, relationship to the market has been in the last half century cohabitation and a policy of proposing restrictions with a view to social justice (which, in combination, is what “market socialism” is all about). So far, with the exception of Willy Brandt's vague theses on the North-South relationship, socialists have not been particularly receptive to the problems arising out of the disproportions of global economy—although world economy is now the adequate framework, as was the nation state in Keynes's time, in which recommendations for social justice and (nonmarket) rationality can be raised and implemented.

Their overwhelmingly urban origins and culture prevented the socialists from adding an iota to the agrarian question. The only redeeming feature in this regard was their zeal in implementing a program of land partitioning during certain agrarian revolutions, and this was not their own proposal. Perhaps for that reason they also overslept the emergence of the environmentalist issue, which has been advocated by nonsocialist actors.

**A**s for nationhood and nationalism, democratic socialists or social democrats have an almost entirely unblemished record of being enemies of national, ethnic, or race bias of all kinds. (The shameful episode of the “White Australia Policy” of Australian Labour remained an incident without further consequences in the annals of socialism.) At the same time, albeit loyal citizens, socialists always felt ill at ease about national identification. They were not internationalists in the communist sense of building a Universal Church of the Grand Inquisitor, but they were certainly cosmopolitan in an age of nationalism. Only one socialist contingent, the Zionist Labor, became a nation-builder, and another, French socialism from Jaurès to Mitterrand, has contributed to the greatness of *la nation*, with only a single relapse into chauvinism (under Guy Mollet during the Algerian war). The rest of them stood awkwardly on the sideline whenever the nation and its affairs were on the agenda.

Finally, they have an ambiguous cultural record. For them, communism was tantamount either to state censorship or to intellectual elitism. By contrast, social democrats were betting on a genuine proletarian culture in an age when class culture was already disintegrating. The government of democratic socialists in the welfare state was a benevolent patron of the arts; and the socialist movement spread literacy and the light of knowledge where the darkness of ignorance had reigned supreme. We owe the discovery of, and the support for, the best products of working-class culture (in Great Britain), as well as some of the best novels (in Scandinavia and postwar Germany), to this welfarist patronage and social democratic spirit. But social democracy, in its aversion to intellectual elitism, has constantly lacked the great vision necessary for the flourishing of culture.

The vacuum created by the demise of communism is beneficial for socialists only if they are capable of making an inventory of their peak performances and serious limitations. For, let us be honest, the existence of communism was not merely an obstacle for democratic socialists. In strange ways, it was also a blessing in disguise. As long as communist governments of terror or repression existed, it sufficed for democratic socialists or social democrats to pinpoint the communist practices with the remark: we shall do it in a different way. This gesture alone guaranteed votes. But now, with the scarecrow gone, they are left alone on the left, and they have to do the work in a different way or perish. To be capable of performing the new task, it is mandatory that they address their own past record.

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### Branko Horvat

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**I**n order to find out how much a country is socialist, it is necessary first to define socialism. Characteristically, no clear, precise, and commonly accepted definition exists. My own definition is extensively discussed elsewhere (*The Political Economy of Socialism*, Sharpe, 1982) and can be only briefly summarized here.

1. *Socialism is a phase in the process of the individuation of men and women, of their emancipation from various collectivities (tribe, estate, class, nation), of their progress in the direction of individual self-determination.* (Note that individuation has nothing to do with possessive egoism and implies, rather than excludes, genuine social consciousness.) In this sense, socialism contributes to the fulfillment of the three proclaimed goals of the bourgeois revolutions: liberty, equality, and solidarity. The three ideals cannot be separated and imply each other: unequal liberty destroys equality, lack of equality makes the freedoms of some individuals deficient, and solidarity is the behavioral precondition for the achievement of liberty and equality. Against this standard, it is not particularly difficult to measure the performance of Sweden or any other country.

2. *If the full personal development of individual men and women is the supreme goal, social equity is the basis of the system called socialism.* That implies the elimination of any concentration of political and economic power. In this sense the three goals may be approximated through political and economic democracy and government-sponsored solidarity.

3. *Socialist political democracy includes all classical rights and freedoms of citizens and also replaces party politics (parties are concentrations of power) by citizens' politics.* In other words, elections do not depend on party finances and party bosses, and the relation between electors and their representatives in the parliament is personalized. The representative is primarily responsible to electors, not to a party, and the party whip is absent. The issues are decided on their merits, not in the interest of party oligarchies. Substantial, as contrasted to purely formal criteria are generally applicable: similarly, as a formal democratic procedure is not sufficient in socialist politics, neither is formal equality before law. A corporation or a state agency, with vast means at its disposal, and an individual citizen cannot be equal parties in the

court of law. That necessitates the creation of an ombudsman, an institution in which the Swedes have pioneered. Finally, the Leviathan-state must be decomposed into its seven fundamental functions (legislative, executive, adjudicative, administrative, recruiting, and controlling), replacing the classic separation of the first three powers.

4. *Economic democracy is perhaps the most distinctive feature of socialism.* It means that management rights are derived from labor and not from the ownership of capital. That implies that self-management replaces power hierarchy at the place of work. Self-management, in turn, implies an independence of firms and the existence of a free market without monopolies. It also implies full employment, which requires planning as a complement to automatic regulation of economic processes by the market. Since the firms are primary owners (and engage in all business transactions for their own account and independently, regardless of whose capital they use), a capital market is consistent with socialist economics.

5. *Income is basically distributed according to work performed.* That requires that social solidarity enter in two different ways: productive and ethical ones. Personality-building services (education, medical care) must not depend on the earning power of the recipients but must be delivered "according to needs." That is not only "just," but also helps to develop the productive potential of the society. The second case refers to handicapped individuals who cannot earn a decent living by their own efforts. Here pure human solidarity is involved.

6. *A socialist framework does not resolve technical issues (large corporations, large public sector and so on) by itself.* But it offers different possibilities for their solution. For instance, nationalization is a nonissue. Large corporations are large primarily because their financial power increases with size, and that is crucial for survival in the fluctuating capitalist market. Planning may reduce the advantages of financial power, and self-government will reduce the attractiveness of large size. An egalitarian distribution of income reduces the need for large government expenditures. The elimination of class distinctions makes conspicuous consumption an oddity. People accus-

tomed to evaluating their needs rationally will know how to use automobiles and buses, and we may safely leave such choices to them. Ecological norms are all that is necessary.

**H**owever, three important problems remain:

1. *First, it is not particularly difficult to establish a consistent set of socialist propositions. It is, however, terribly difficult to bring them about in reality.* A socialist program cannot be imposed by government fiat because that is a self-contradictory target, and the disastrous failures of such attempts all around are a sufficient reminder. A laissez-faire socialist development may be a very round-about affair. Thus, the program must be tailor-made for every country in particular.

2. *In Sweden, public discontent has been growing for some years now.* That is due not only to the fact that large government and ubiquitous trade unions get bureaucratized. People gradually become fed up with somebody making decisions on their behalf and tutoring them from the cradle to the grave—even if that is very beneficial to them. Healthy men and women need challenges in their life to be met by their own efforts. A superficial answer is liberalism. A more adequate answer has yet to be found.

3. *Finally, no country is big enough to build socialism all by itself.* The international environment is not socialist, although the European Community might by necessity begin to move in that direction. The international capitalist pressure is perhaps the strongest obstacle for socialist development anywhere.

### To Our Contributors

**B**ecause *Dissent* is usually quick in responding to submissions of articles, we cannot acquiesce to multiple submissions. They are a bad idea in principle, and they tend to waste the time of our editors who work in their "spare time." Henceforth multiple submissions will be automatically rejected.

Gus Tyler

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**C**apitalism doesn't work: the 1930s proved that. Communism doesn't work: the 1980s proved that.

So what works? Socialism—of the democratic variety, of course.

But, viewed concretely, as it is applied in practice, what is socialism today? The answer is—the mixed economy.

Theoretically, that simplifies the problem. All we now have to do is to mix X parts of socialism with Y parts of capitalism to get the right prescription.

The search for the magic formula is on. Nothing can stop it, for it is in the nature of the human mind to believe that if there is a definable problem there is a findable answer. Without that conviction—be it myth or not—humans cannot act. The notion that we are helpless, playthings in the hands of an irresponsible Fate, is intolerable, at least to the Western and the Westernized mind.

So, comrades, on with the search. Without it, there is nothing. And with it, there will be something.

But something is not everything. “Something” carries us from one moment, one era, perhaps even one system, to the next, but it does not carry us to the “end of history,” because there is no end.

Yet the notion that there is an “end” is implicit in classic socialism, defined as the collective ownership and democratic control of the socially necessary means of production and exchange. Prior to the coming of this socialism, history was a battlefield strewn with the carnage of class struggles. No exception to the rule: “The history of hitherto existing societies is the history of class struggle.” But when the proletariat takes over and establishes the classless society, the class struggle will end: the dynamic that drove history will die.

In holding to this faith, Karl Marx was more Jewish than he knew. He believed in a Messiah whose name was Proletariat and Marx was his Prophet.

For Marx to think—or feel—as he did, should come as no surprise. His “scientific” socialism

was the child of the age of “science,” when that word was almost synonymous with “certainty.” Like Einstein, Marx could not believe that “God’s” universe is as chancy as dice: things happened in obedience to Nature’s law. Like Einstein, too, he probably would have been appalled by a Heisenberg and the concept of uncertainty in the natural world.

For Marx, as for most of the great thinkers of his time, it was logical to translate the “laws” of the physical world to the world of social relations. Hence, both he and Engels looked upon their concepts as the social application of Darwin’s theory of evolution. Inevitably, capitalism (the ape?) would evolve into socialism (*Homo sapiens?*).

This made Marx a “determinist.” And, with his eye fixed on the economic factor in human behavior, he was an “economic determinist.” The outcome of the struggle between the capitalist and the proletariat was as predictable as the outcome in the laboratory when two parts of hydrogen are mixed with one part of oxygen. You get water and not a gin martini.

Marx was also an Aristotelian. He described the great Greek as a “thinker who was the first to analyze so many *forms* [my italics] whether of thought, society, or nature.” Like Aristotle, Marx thought in terms of forms such as *capitalism*, *feudalism*, *communism*. They were all “systems” (sort of generic abstractions), the first two of which were challenged by the “seeds of destruction” they carried within them, the third of which, presumably, would go on forever, because it did not spawn elements destined to destroy its creator.

Is Marx valid today? Yes, if we allow for the factor of uncertainty and if we admit that there are, in the real world, no pure forms. It is not true, for instance, that “a rose is a rose is a rose,” for every rose is unique, probably without an exact replica ever. The notion that a “rose is a rose” is an invention of the human mind, since a “rose” as a generic concept is a nonexistent thing put together by the brain to make it easier to classify objects.

The Aristotelian method of playing around

with “forms” is very appealing to intellectuals, who are often more at home with the abstract than with the concrete. Forms, especially when they become formulaic, make the equations simple. Unfortunately, too simple. Life in the concrete is far more diversified, complex, unmanageable than life in the world of conceptual artifacts. In the stubborn realm of reality, the equations often contain more unknowns than there are letters in the alphabet.

**I**n the Aristotelian world, these “unknowns” do not appear in the equation as variables but as constants. They are “knowns,” considered to be as tangible as if they were made of stone or concrete. When it turns out that the rock is really mush and the immobile is really mobile, the results baffle. For example:

Marx posited the class struggle as a “known” fact of life. He also assumed the steady and inescapable “immiseration” of the masses as a “known.” His conclusion was an apocalyptic ending with the chiliastic. He apparently did not allow for the fact that the proletariat, in its struggle, might (an unknown) violate the “iron law of wages” and might (unknown) find life less miserable—precisely because the proletariat enjoyed a measure of success in the class struggle.

Ironically, in the *Manifesto*, Marx sets forth a series of “immediate demands” that fall short of socialism. But, if each of these was realized, as most of them were in the first half of the twentieth century, then the “immiseration” of the proletariat, that *sine qua non* of the revolution, would not be part of the equation.

That the “State is the Executive Committee of the ruling class” was, to Marx, a “known.” He did not, could not, allow that the proletariat might have some seats in that committee or that the proletariat, in combination with other societal elements, might actually become the majority. The notion of a capitalist economy operating in a state where the proletariat was the Executive Committee (as in Sweden) was, to Marx, the Aristotelian, a logical impossibility.

As we move into a new century, it would be

timely to make two small adjustments in Marx: first, instead of economic determinism, substitute societal indeterminism; second, instead of “forms,” substitute norms to guide human behavior—individually and collectively.

All of the above is a plea to say farewell to hubris. It does not mean that we should avoid the battle with the bad. It does not mean that we should not plot and plan, scheme and strategize, protest and contest to do what is best and right at the moment and, as best we are able to see into the future, what is best in the years to come.

It does mean that we are not omniscient. Since Heisenberg, even God is no longer all-knowing. It does mean that into each utopia some chaos will fall. It does mean that the ethical impulse for the just society—economically, culturally—should be encouraged, applied, and pursued persistently in a world that will be changing unpredictably and unrelentingly.

It means that we must tap the human’s “social instinct” (whether we believe, with Aristotle, that it is inherent in man “by nature” or, with Darwin, that it is the outcome of “natural selection” or, with Adam Smith, that it is God-given) to maximize man’s humanity to man by fostering a societal environment (environments) in which that instinct may flourish. It also means that we dare not close our eyes to the darker side of the human, the antisocial instincts that a Hobbes, a Freud, or a Hsun Tzu believed were inherent in the species.

In a very profound sense, the mixed economy is a recognition that the biologic biped is also psychically bipolar and that humankind will go on for the foreseeable future trying to find the balance between id and super ego, between capitalism and socialism, between the capacity to produce and the propensity to consume, between the private and the public sectors. In our firm resolve to find the “right” mix, let us silently understand that there is no fixed formula and that there is no “final conflict,” just a continuum of contests, consensus, dissent, and consent. For as Thales said: “The only constant is change.” □