

Socialisms, An Intro!

by Peter Bohmer, peterbohmer@gmail.com
November 1, 2021

This is the text of a talk delivered on October 5, 2021, at the 1st Global Forum on Democratizing Work, <https://hopin.com/events/global-forum-on-democratizing-work>.
This forum was based on the principles of Democratize, Decommodify, Decarbonize!

There is growing interest in alternatives to capitalism as the growing inequality of income and wealth, the obscenity of extreme wealth and widespread poverty, the global environmental crisis, the meaningless of most jobs, institutionalized racism, the growing isolation of people and the continued oppression of women and LGBT people are increasingly apparent. These crises are integrally connected to global capitalism. In the United States and beyond, there is a renewed interest in socialism as an alternative economic and social system that can be seen in poll after poll. This is an exciting and important development.

Yet, what is meant by socialism is vague and differs greatly from person to person and group to group. In this essay, I will present my understanding of socialism and apply it to critique three common types of societies that are commonly called socialist. I will identify them as centrally planned socialism, market socialism and social democracy. I will also briefly critique another popular alternative, what is sometimes called community-based economics. I will conclude by briefly examining a desirable form of socialism, participatory socialism, and provide various references for further learning about it.

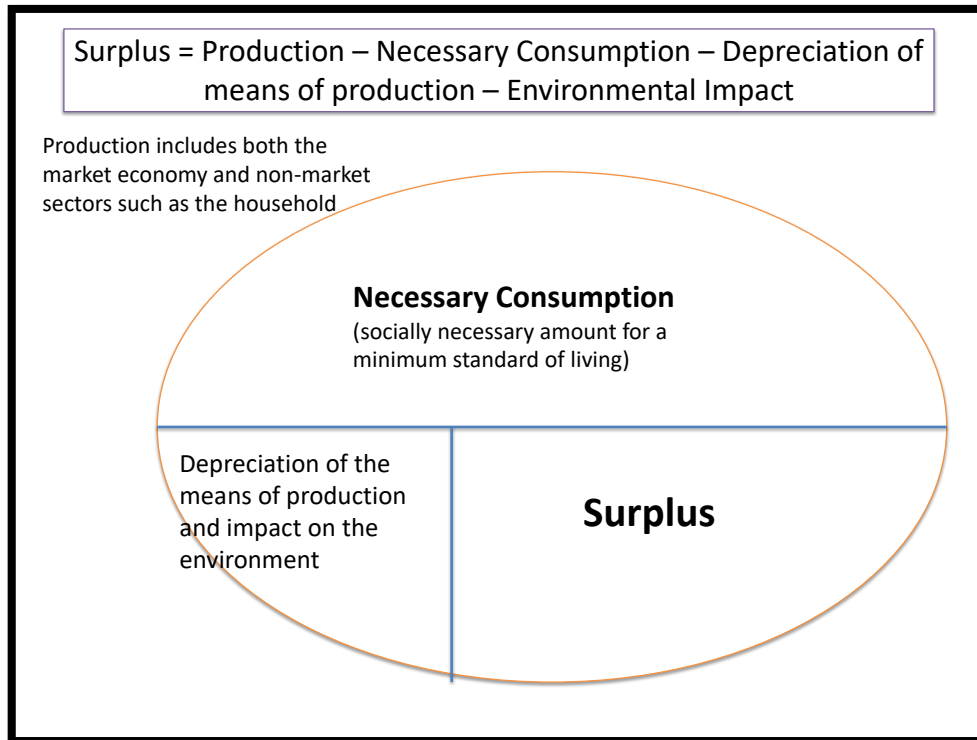
My definition is that Socialism is the popular control of production and use of the surplus. Ending private ownership and control of the surplus is necessary but not sufficient for socialism. Socialism therefore implies:

1. Socialization of the means of production.
2. Production organized around meeting needs not profit
3. Self-management, that is: worker control at the workplace
4. Democratic and popular control of the government

In the movement towards a socialist society, there may be independently owned small businesses.

What do I mean by surplus? Surplus is society's output, including household production, minus socially necessary consumption, including household, minus depreciation of capital and nature. In other words, surplus is what is left over after the consumption needs of society are met, while maintaining the environment and the stock of capital goods. Key aspects of any society are who produces the surplus and who controls the surplus and decides how it is used. For example, is the surplus used on investment to increase productivity, on luxury consumption, on military expeditions, on health, education, and social services? Under socialism, production of surplus and its use, are decided upon by society, by the public. (See diagram.)

For more on household labor and connected framework of social reproduction theory, see for example, Nancy Fraser, "[Contradictions of Capital and Care](#)," *New Left Review*, July, August, 2016, Number 100.



This concept of the surplus applies to all societies, feudal, slave, capitalist or socialist. It does not assume markets. The area of the circle in the diagram refers to the output of a given society at a given point of time. For that society to reproduce or produce the same output in the next time period, it must meet people's necessary consumption needs and replace the worn-out equipment and the depletion of the environment including nonrenewable resources.

The socialist project is the **movement** towards popular control of the surplus – and the **end point is democracy in all aspects of society**. Put another way, the full extension of democracy is socialism. Whether we start in the economic or the political sphere, socialism seeks to democratize both overlapping spheres. **Central to socialism is substantive or participatory democracy and equality; they can't be separated.** To quote Bakunin, a famous 19th century anarchist, "We are convinced that liberty without socialism is privilege and injustice; and that socialism without liberty is slavery and brutality." Democracy in the sense of popular and grassroots democracy and power has not been a goal of most of the socialist-oriented transformations and revolutions of the past. But it needs to be.

II. Common models, of "Socialism" or "Communism"

There are three dominant models of socialism, and related societies, and advocates connected to these concepts.

1. **Centrally Planned Societies**, e.g., former Soviet Union, sometimes called Communist because the Communist Party controlled the state. This economic system is rapidly disappearing as examples. A centrally planned society is usually led by a Marxist-Leninist vanguard party claiming to represent the ideals of socialism and Communism, the most committed people, limited private property, and the means of production owned by the government; the Communist Party claimed it represented the people. Cuba has been the best version of this model, although it has been moving away from this economic and political model, and there has been more use of markets, more foreign investment and more private business. In this model, there is access to free education and often healthcare for all. It is far more equal than capitalist societies in terms of income and wealth distribution, but there are major problems with the production of quality goods, especially in agriculture, lack of democracy, and lack of worker control, i.e., one person management. This system is sometimes called authoritarian socialism or state capitalism. What is crucial is that it is neither socialist (because of its lack of popular control) nor is it capitalist.

Note: By private property in this paper, I am referring to property from which you can make money, e.g., a landlord, but not personal property, like your house.

2. **Market Socialism**-the example commonly cited is the former Yugoslavia. In the case of Yugoslavia, it was not democratic although adherents of market socialism usually advocate for democracy in the economic and political realm.

Market socialism is characterized by public ownership of the means of production—income from work, not capital. It is favored by most U.S. left economists. It supposedly combines efficiency and choice that markets provide with equity. Prices and wages are set by the market in market socialism. Firms maximize profits but profits go back to the firm or society or government not to capitalists.

But there are problems with markets, even in a market socialist society! Each firm seeks to minimize costs, so there is an incentive for them to speed up workers and cut corners on worker safety to maximize profits.

Wages are determined by the market. So incomes, before taxes, are likely to be quite unequal although this can be moderated somewhat by progressive taxes. Firms maximize profits. This results in competition between enterprises to continually lower costs, including labor costs, and environmental costs, e.g., pollution. So, there is pressure towards income inequality, and towards the social costs of production being externalized to society. There is a tendency towards a race to the bottom among enterprises.

Markets, even under market socialism, fosters individualism rather than cooperation and solidarity among people. Markets do not incentivize people to be cooperative and empathetic

and to be socially conscious human beings.

Note: individuality vs individualism! Individualism is me, me me! Individuality is furthering development of human beings to develop their individual talents, personalities, and needs. A socialist society should further individuality but reduce and not incentivize individualism.

3. A third common usage of the term socialism is Social Democracy. Think of the Scandinavian countries (in their heyday), the New Democratic Party of Canada, Alexandria Ocasio-Cortez, Ralph Nader and Bernie Sanders. Social democracy is a form of **regulated capitalism**. It is capitalist but more equal than U.S. neoliberal capitalism.

A social democratic society usually means progressive taxes, paid family leave, free health care, free public education including higher education, and ending or reducing poverty. These are important. Progressive taxes mean the higher one's income, the higher the proportion of one's income is paid in taxes.

However, social democratic governments are usually bureaucratic, as are corporations, and hierarchical. There is also the problem of capital flight and strike, particularly with the growth of global markets. This gives capital the upper hand as governments are pressured to pursue corporate-friendly policies. Increasingly social democratic political parties have reduced socialism away from public ownership to Keynesianism, to a social wage, and regulations on anti-social corporate behavior. Often, when in power, there is little concern by social democratic parties about environmental problems although Greens in Germany and Europe are somewhat better. Social Democratic Parties are often imperialist, nationalist, and support war in the country where they are based with little solidarity across borders.

The base of social democratic parties has traditionally been labor unions and the working class. Today, there is movement by social democratic parties away from full employment policies, and away from their working-class base towards professionals and the college educated, e.g., New Labor in Britain.

Is social democracy, capitalism? YES!! Not all capitalisms are the same. It is a more equal and more humane capitalism than neo-liberal capitalism but there is still, alienated labor, unequal income and wealth, and top-down rule in the economic and political sphere. The difficulties of accomplishing substantial reforms are even stronger in a global capitalist world because of the mobility of financial capital, especially in the Global South.

For all three of these traditional models of socialism, 1) centrally planned, 2) market socialist, and 3) social democratic, Michael Albert and Robin Hahnel raise the issue of a new class in society: the coordinator class or professional-managerial class in control. They argue that a hierarchical division of labor will negatively affect all aspects of social life. It's alright to have a manager for a specific project but maybe not as a profession. Because these are societies dominated by a coordinator class or a capitalist class in the case of social democracy, Albert and Hahnel conclude that they are not socialist. The problem of a coordinator class as a ruling class is overcome in participatory socialism which is based on participatory planning and self-management.

Just because a country calls itself socialist does not make it so, South Africa under apartheid called itself democratic—that didn't make it so. Nor does China calling itself socialist today make it socialist.

Should the word “socialism” be used in what we are advocating for? Yes, because it connects us to a historical **tradition**, which although it has had many limitations and has committed horrendous errors and some oppressive societies have claimed to be socialist, the values it upholds are righteous. These core values include the value of meeting human needs, the end of poverty, ending all forms of oppression and exploitation, and overcoming alienation. This tradition with honest criticism and reflection is worth upholding.

In addition, there is a growing criticism of capitalism and support for socialism in the United States and in many other countries. In the U.S., Bernie Sanders, and Alexandria Ocasio-Cortez, who call themselves democratic socialists, are two of the most popular politicians. The growth of the organization, Democratic Socialists of America (DSA), from 5000 before the 2016 Bernie Sanders campaign to close to 100,000 today is an indication of the growing support for socialism. Many using the terminology I am using in this paper, are social democrats when they use the word socialist, but this is a big and positive change from the period just before the collapse of the Soviet Union. There is growing openness and interest in learning about socialism. Even the word communism is resonating among many young people. I differentiate communism with a small c, Marx's ideas of production and distribution of goods and services by need, from Communism with a capital C, which refers to centrally planned, one-party states, as discussed earlier.

Labels can be confusing: for example, Thomas Piketty's most recent book, *Capital and Ideology* calls his economic alternative, Participatory Socialism. Using the terminology of this article, however, Piketty is advocating for social democracy, i.e., a reformed capitalism.

A fourth alternative to capitalism is Bioregionalism, gift economy, local economy, **community-based economics**, barter, “Small is beautiful”. There are many labels. This form of society is preferred by many activists today. In this vision, there is primarily local production, limited trade between communities, possibly through barter. The claim is that face-to-face contact overcomes alienation and hierarchy. Its strengths are self-management, that it is environmentally sustainable, there is food sovereignty, and direct and participatory democracy.

“La Via Campesina” is a global peasant movements with chapters in 81 countries whose central principle is food sovereignty. To La Via Campesina, “Food Sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems.”

However, there are major limitations and problems with a community-based economy.

1. Economies of scale; Economy of scale means costs per item are reduced if produced on a bigger scale. Should each community produce antibiotics, steel, software, subway cars, MRI machines, vaccines? This would waste resources and labor and often mean inferior goods.

2. Should people be richer in richer regions? Similarly, what would happen if some communities

had ample access to a scarce resource like water and another community had limited supplies. Inequity between communities is the likely result.

3. How is production, distribution, work, organized within a community? Would there be small privately owned firms, a labor market, production for profit? These questions are often not answered by advocates of community-based economic models.

4) What size community are we talking about: 100 people, 1000, 50,000, one million? The smaller the size the more face to face contact, the more direct democracy is possible, but the less self-sufficiency is possible. The larger the ideal community the less face to face contact, the less the possibilities for direct democracy.

5. How is trade, exchange, production, communication, and transportation, organized between communities, regions? How would coordination be accomplished, e.g., for transportation between communities?

6. How are problems such as climate change, global pandemics, water quality, air, etc., that require regional and global planning and solutions to be solved?

These questions are meant to point to limitations of the community-based model, and there are other questions as well, such as terms of trade when there is exchange between communities.

There is an Alternative!

The dominant ideology today is “There is No Alternative” (**TINA**). As originally used by British prime minister Margaret Thatcher, the term asserts that there is no feasible alternative to a neoliberal capitalism integrated fully into a global capitalist system. Others such as Paul Krugman, argue instead for a different meaning of TINA. They advocate for a Keynesian regulated capitalism but claim that there are no workable alternatives to capitalism

Without socialist alternatives, we are limited to reforms, which are important, yes, but there are usually uncomfortable trade-offs because we live in a capitalist society. For example, if we raise the minimum wage to a livable wage, let us say \$25-\$30 an hour, will firms close and/or lay off people? Moreover, reforms that reduce profits such as strong environmental regulations can be and are often reversed because of the power of capitalists to threaten a “capital strike” if their profits are threatened. It is important, however, not just to claim that we need a socialist alternative as we organize to meet people’s needs. We need also to show that a socialist alternative is both desirable and feasible.

In proposing models for socialist alternatives to capitalism, there is the danger of social engineering. Visions must interact with and be altered by social movements. They should be culturally and historically specific, and not be blueprints. Moreover, our socialist vision for the U.S. is somewhat different from that for Mexico, which is different from that for Honduras, South Africa, Sweden, etc. although borders are not sacrosanct.

People should have the right to cross borders. Also, even if the U.S. becomes several smaller countries, questions of coordinating trade between them would continue.

What about Utopian Socialism? We need to be visionary and think big, going beyond what seems possible today. Organizing with a vision of transformative change motivates activism. Utopia, as criticized by Marx and Engels, meant visionary, but a major criticism they made of the utopian socialists such as Fourier and Owen were their lack of a real strategy or of an analysis of the social forces that could build enough power to transform society. But utopian socialism can also mean a visionary alternative with a possible strategy for attaining it. I use utopian socialism, positively, in this second sense.

Revolutionary Strategy

There is a need for a strategy that connects our criticism of capitalism as an oppressive and exploitative and unsustainable system with our vision of a liberatory socialist alternative! Strategy is central but not the focus of this paper. Creating a participatory socialist society means a revolutionary transformation that ends capitalism. Revolution is not necessarily violent. It is not a coup; it is the transformation and liberation of a society from within with mass participation. It is not an event. It is as much a **process as an outcome**; it is qualitative and transformative economic and social change. Revolution towards participatory socialism implies overthrowing capitalist structures, challenging and ending the power of capital to largely control the state, to determine the nature and quantity of employment, to hold communities hostage, and to maintain racial oppression and the oppression of women and sexual minorities.

Revolution towards socialist transformation is the end of exploitation and capitalist domination and the possibility of racial, gender, and sexual liberation and real environmental justice and sustainability.

Participatory Socialism is an Alternative!

A desirable alternative to capitalism is Participatory Socialism. Participatory economy, participatory society, democratic socialism, libertarian socialism! The name is not so important, the substance is.

Note: Libertarian socialism has nothing in common with those in the U.S. who identify as “libertarians”. Libertarians in the U.S. advocate for individual rights within a totally capitalist society where the state’s role is to enforce property relations and the unregulated power of capital. Very different are “Libertarian Socialists” who integrate individual rights within a socialist society where there are no capitalists.

Participatory socialism could be considered anarchist, although most anarchists like most Marxists are hesitant and often critical of developing visions of alternatives to capitalism.

There are no societal examples of a participatory socialist society, but many people are working on elaborating some of its broad features and economic feasibility and desirability. For further elaboration of this model, see realutopia.org, or participatoryeconomy.org or books such as *No Bosses* by Michael Albert, or *Of the People, By the People* by Robin Hahnel.

Participatory socialism means self-management, equity, sustainability, production for need, the end of class domination, and participatory planning replacing markets. It is a particular form of socialism. It means the end of private property that gives owners power over others, and the end of income and wealth from the owning of property. The major contradictions will no longer be between classes, "races" and genders but rather between the individual and the collective, both need to be considered in the organization of this new society. It does not mean the end of personal property. You can keep your cell phone although hopefully use it less.