

# Redefining Socialism

**Paresh Chattopadhyay**

*Frontier*, Autumn Number 2019, Vol. 52, No. 13 - 16, Sep 29 - October 26, 2019

The term Socialism is used in a variety of senses: guild socialism, Fabian socialism, anarchist socialism, national socialism, 'socialism with Chinese characteristics', market socialism etc. However, let us stress at the outset that the socialism of this paper has little in common with these 'socialisms'. Also let us note that what passes for socialism in the popular parlance has little to do with socialism as used here. In the popular sense, a heritage of the 1917 Russian experience, socialism signifies a society governed by a single political party—basically the communist party—and where the means of production are owned predominantly by the STATE—dubbed 'public property'—the economy being directed by central planning.

An important point to stress is that generally the socialist character of society is defined in terms of property relations, that is juridical relations, not in terms of real relations of production.

In sharp contrast people conceive socialism as a society characterised by collective self-authority. In this sense socialism largely merges with democracy, the rule of the people by the people and for the people. Socialism being the exact opposite of capitalism, cannot exist in the same society leaving capitalism intact. But, then, what does capitalism signify? It signifies the rule of capital. But then what is capital? Capital is not a thing; it is a particular social relation in which the productive activity of individuals takes place in a society.

Whatever be the form of production in a society workers and the means of production remain its central factors. But, then, if these factors remain separate from each other, production cannot take place. In order for production to take place they must unite. The particular way in which this union takes place distinguishes the different economic-social epochs. In the particular society in which people live—the capitalist society—the great majority of people do not own/possess the means of production, there is at the beginning separation between the means/instruments of production on the one hand and the workers on the other. The latter, constituting the majority of society have only their capacity (physical/intellectual) to dispose of as a commodity to the owners/possessors of the means of production in order to survive/live. In return for their service they receive a remuneration—wages/salary. The task of uniting the workers and the means of production in the process of production is performed by those—the small minority—in society who have in their hands the means or instruments of production, that is, the capitalists, the owners or, more properly, functionaries of capital.

In total contrast stands socialism (socialist society). This is, by definition, a co-operative society. Here the conditions (means, instruments) of production are in the hands of SOCIETY itself managed not by the State bureaucrats but by a thoroughly democratic process mediated by its freely chosen representatives, subject to recall by the electorate any time. *So socialism is also at the same time democracy.* Society's economy is a planned economy, planned by people's democratically

chosen representatives. The present-day advanced capitalist societies fall far short of the truly democratic process, vitiated, among other things, by the power of money.

*It is absurd to imagine that socialism can exist under the rule of capital, that capitalists can exist under socialism.* Till now there has been no socialism anywhere in the globe. Seemingly paradoxically it is capitalism that creates the conditions of the genesis of the new society both by generating propertyless 'free' workers and by its tendency towards universal development of the productive forces. Till now attempts to build socialism were undertaken in countries a large part of which remained under the conditions of pre-capitalism with the population mostly under patriarchy, having unscientific mindset, deep rooted social and economic inequalities, political and social repression or colonial domination and hardly any democratic tradition. The circumstances under which attempts were made to create a new society had necessarily to result in minority governments, naturally undemocratic (usually a single Party power) ruled by force, repressing all political opposition in order to preserve the power. The consequence was in fact a rule by Party bureaucrats, without any scope for free choice for the people's representatives, free press and other means of freely expressing views. One could of course say that compared to the earlier regimes as well as the existing capitalist regimes the welfare situation of the population at least under some Party-State regimes has been superior, as regards access to health, education, housing, security, in a word as regards the basic human needs, though not always of a desirable quality. But certainly there has been little democracy.

Now socialism is a product of history which can arise in a society only when the appropriate conditions of its appearance are present. It is capitalism that creates the material conditions of its own disappearance as well as those for the creation of the new society. This capitalism does both by its tendency towards universal development of the productive forces and by the socialisation of labour (by supersession of labour in its individual form).

Capitalism is not transformed into socialism within capitalism itself, as mentioned earlier. This transformation is the task of the working people themselves, the immediate victims of capital. Here comes the specificity of the socialist transformation. Unlike the capitalist class who started to undermine the pre-capitalist relations of production long before attaining political power, the wage and salaried workers- the great majority of society- must first gain political power in order to start the transformation process. The collective appropriation of the means /instruments of production by the producers themselves, the basis of the future society, takes a long time to accomplish. While the juridical elimination of individual private ownership in the means of production is indispensable for expropriating the owners of capital, it does not by itself signify collective appropriation by SOCIETY of the conditions of production and the end of capital. It is only the beginning measure towards that end inaugurated on the morrow of gaining political power by the great majority, only after the victory of democracy.

The transformation of society from capitalism to socialism would signify nothing short of the creation of collective self authority, the REUNION of the labouring majority of society with the means of production, the end of the millennial servitude of the great majority under a small minority. This Union is the exact opposite of capitalism's Separation of the workers from the conditions of production where—to cite a Ricardian phrase—the 'machine employs the workers, workers do not employ the machine'.

## New Society In Outline

Capitalism is a historical society and not a society produced by nature.. It is a provisional, transitory society just as all pre-capitalist societies had been, and it too will cease to exist when the material and subjective conditions for its disappearance reach a certain stage where the forces of production—the most important of which are the working people themselves—come into conflict with the existing production relations (production relation under capitalism is essentially wage labour relation). It is capital(ism) which itself creates both the material conditions and the subjective agents of its own disappearance. Capitalism, more than any other social system in the past, has destroyed all fixed and frozen relations, broken down all barriers to the expansion of the productive forces which it tends to revolutionise constantly. The subjective condition is embodied in the working people—capitalism's "grave diggers"—which capitalism itself has created. The most important is this subjective condition. Even if the material forces of production are fully developed, after which they start declining, capital as a relation of production could somehow continue. Here comes the active role of the greatest productive force—the working people. It is their own task to free themselves from the wage chains of capital. The necessity to change their own situation arises in their consciousness through the experience of their own daily struggle with their 'Bosses' in the work place. And self-emancipation of the lowest strata of society would naturally imply humanity's emancipation in general.

As opposed to the capitalist method of production based on antagonism in the very process of production—the separation of the producers from the conditions of production—socialism, the cooperative society, is founded on the union of the working people with the conditions of production. The individuals in the cooperative society are free in the sense that in the relations of production there is no longer any personal dependence as in pre-capitalism. There is also another kind of freedom for the individual. This concerns the products taking commodity form on which the capitalist relations of production are based. In this relation based on commodity exchange there is no direct relation between individuals. Here social relations of individuals appear in the perverted form of social relations between things (products). With the disappearance of capital this perverted relation also ceases to exist, and this material dependence of the individuals becomes extinct.

Now labour loses its earlier significance. It is no longer an occupational job for the purpose of providing subsistence but is transformed into a free and conscious activity mediated by the de-alienation of the individuals from both their own kind and their own material creations.

With the transformation of the relations of production, the OWNERSHIP relation of the means of production is also transformed arising as they do from the relations of production. Ownership of the conditions of production in socialism is of course collective at the level of society. Indeed, one of the beginning measures taken by the workers after winning political power is the juridical elimination of individual capitalist property (of the means of production) as mentioned above. However, in as much as the installation of workers' power does not *ipso facto* mean 'victory of socialism', in the same way workers' immediate measure of bringing the means of production under the control of their own rule does not mean straightaway 'social ownership' of the means of production. It is the transformation of the capitalist production relations that determines the transformation of capitalist ownership relations and the establishment of 'social ownership' over the

conditions of production in the new society. It should be emphasised that whereas all the earlier forms of appropriation had naturally a limited character, social appropriation has a universal, total character. This is so first because of the total character of deprivation of the workers in the old society and secondly because the development of the forces which are now appropriated has already reached a universal character under capitalism and can be appropriated only collectively, only by SOCIETY of free and equal individuals as producers.

Needless to stress, the goal of material production in the new society is completely different from that under the rule of capital. The aim of capitalist enterprise is maximisation of profit mediated by exchange value, whereas the aim of socialist production is to satisfy the needs of society's members mediated by use value. Under capitalism people's day to day needs are satisfied—if at all—through the market where products dominate the producers. But, first of all, how does one know people's needs! For this, surveys of household requirements could be conducted periodically. This was proposed (independently of each other) by two eminent European socialists: Otto Neurath (1917) and Anton Pannekoek (2003). The units of production could be managed by workers as cooperatives, absolutely democratically.

Like the ownership relation, EXCHANGE relation also undergoes transformation corresponding to the transformation of the social relations of production. This concerns both the material exchange of individuals with nature and social exchange among individuals themselves.

As to the material exchanges of individuals with nature, while capitalism—compared with earlier systems—renders the humans less dependent on the powers of nature by progressively subjecting these powers to human intelligence through an unprecedented increase in the material forces of production, its technology, at the same time, seriously damages the natural environment by undermining the natural powers of the earth along with the human producer. In sharp contrast, in the new society, the social individuals not only free themselves from subjugation by nature's blind forces through a rational regulation of their material exchanges with nature but also carry on these exchanges in conditions most worthy of and in fullest conformity with their human nature.

As to the exchange relations among individuals all exchange of labour either regulated hierarchically (as in pre-capitalism) or through the form of commodities ceases. There is no need of the social relations of individuals to appear in the perverted form of the social relations of things. For that is what exchange of commodities amounts to. Exchange of commodities completely hides the relation between persons. Instead there is now free exchange among social individuals, that is, exchange of their activities determined by their collective needs and aims on the basis of the social appropriation and control of the conditions of production.

Whereas in the commodity (capitalist) society the social character of production is posited *post festum* (after the event, after sale, indicating society's approval), in the new society the social character of production is posited right at the beginning of the production process, even before production starts. Here community is posited before production.

Finally, the question of DISTRIBUTION. Now, distribution (in the economic sense) in a society can be viewed as the distribution both of conditions of production (that is, instruments and other means of production) and of products where the first distribution determines the second. The distribution of conditions of production, again, includes not only the means of production, but also the

distribution of the working members of society among different spheres of production. In fact the distribution of the conditions of production is the distribution of total social labour time, dead and living, across the economy.

Social *labour time* refers to society's time available for production. The regulation of production by a proper distribution of society's available labour time among society's different spheres is common to all societies. On the other hand, another issue concerns the total magnitude of society's available labour time itself. There is a need for economising society's global time for production not only indicating greater productive efficiency but also in order to release more time at the disposal of society's individuals for their enjoyment and personal development. Thus all economy is finally reduced to the economy of time. Particularly in a society based on collective production whose aim is, contrary to that of capitalism, not maximising profit but satisfaction of human needs, economy of time takes an altogether different character.

Inter branch allocation of society's *labour time* is a question of the latter's alternative uses in suitable proportions. More time is bestowed on some branches of production, less time remains for the rest. This allocation problem is solved differently in different societies. Thus whereas under capitalism the distribution of society's labour time is mediated by the commodity form of the products of labour, the new society solves the problem in a conscious, planned way without the need for social relations to appear as relations between things.

Then there is the problem of temporal lag between the employment of resources and obtaining the use values therefrom. This lag is naturally longer in some lines of production, shorter in others. This is a situation independent of any specific mode of production. While under capitalism the problem of allocating resources to the production lines with a longer temporal lag, compared with others with a shorter lag, is solved *post festum* (after the event) and at the cost of abiding disturbances, under socialism society would consciously calculate and plan in advance the scale of operation and allocate the resources.

Not only is the allocation of labour time as between different lines of production effected in a different way under socialism compared to capitalism, the saving of society's global time itself, devoted to material production, takes on a different character in the new society. The creation of disposable time by minimising the global labour time signifies for all class societies, non-labour time for the non-producing few. However, unlike all earlier (pre-capitalist) societies, capitalism continuously strives to increase, beyond the necessary labour time of the producers, their *surplus labour* time, the appropriation of which as 'surplus value' is considered as society's wealth, given exchange value and not use value as its objective. Surplus labour is the labour of the worker beyond her/his needs. This in fact is the labour for society which under capitalism, the capitalist appropriates in the name of society. This surplus labour is the basis of society's free time and simultaneously, the material basis of society's many-sided development. However, since capitalism, on the one hand, creates disposable time while, on the other hand, it converts this disposable time into surplus labour time leading ultimately to the crisis of overproduction and non-valorisation of surplus labour, the process is contradictory. This contradiction is overcome in the new society.

First of all, in the conditions of social appropriation of the conditions of production, the earlier distinction between necessary and surplus labour time loses its meaning. From now on necessary labour time will be measured in terms of needs of the social individual, not, as in capitalism, in

terms of valorisation with a view to gaining maximum profit. Similarly, increase in disposable time will no longer signify non labour time for the few. It is free time for SOCIETY as a whole and it becomes the measure of society's wealth. And this in a double sense. First, its increase indicates that labour time produces more and more wealth due to immense increase in productive forces, unconstrained by earlier contradictions—wealth towards the enrichment of all social individuals. Secondly, free time itself signifies wealth in an unusual sense, because it means the enjoyment of different kinds of creation and because it means free activity which unlike labour time is not determined by any external finality that has to be satisfied either as a natural necessity or as a social obligation.

In fact, the true wealth is the developed productive power of all individuals. It is then no more the labour time, but the disposable time that becomes the measure of wealth. Labour time as the measure of wealth posits wealth itself on poverty and posits the disposable time as existing in and through the opposition to surplus labour time. This signifies the positing of the individual's totality of time as labour time and degrading the individual to the unique role of labourer, completely subsumed under labour.

On the other hand, labour time itself, the basis of free time, takes on a new meaning. Labour now is directly social, unmediated hierarchically or by the exchange value form of its products (having lost the profit dimension of production), and bereft of its earlier antagonistic character. It is now truly social labour.

There is another important aspect of distribution under socialism, that concerning the division of social product between production needs and consumption needs as well as the distribution of the means of consumption among the 'social individuals'.

As to the first problem, one part of the social product serves as common funds that include replacement and extension of the means of production as well as society's insurance and reserve funds against uncertainty. The rest serves as means of collective consumption—mainly society's health, housing and educational needs, and provisions for those unable to work—and personal consumption.

As regards the mode of distribution of the means of consumption among the individuals who are all producers (here all able-bodied persons are producers; ('no drones amongst us', to use the saying of the great French literary figure Romain Rolland), this totally follows from the way in which the conditions of production are distributed. As producers are united with the conditions of production in socialism, they are no longer wage/salaried labourers, no longer sellers of their labour capacities, and the system of wage/salary labour ceases. In truth the absence of inter country war after the end of the rule of capital (there being no rational reason for this). Consequently, one supposes the absence of immense waste caused by the military-repressive machinery, commercial advertisement etc., which are the inseparable parts of the existence of capital. People also legitimately take into consideration the existence of the vast development of science and technology. Given these factors into consideration one can see no reason why the members of the new society cannot satisfy all their needs.

A few more words on socialist accounting which are generally neglected in literature deserve attention.

In the absence of money as the unit of calculation which goes out of existence with the disappearance of (generalised) commodity production there are only two ways of distributing society's products: by labour time, and distribution in kind. This latter method was made famous by Otto Neurath in the early twentieth century. In-kind method of calculation is the natural method of calculation. In contrast with capitalism's money reckoning—which does not tell the society anything about real wealth of a people—a socialist economy is concerned with usefulness, people's needs with regard to food, clothing, housing, health, education, entertainment. To this end society seeks to employ raw materials, extant machinery, labour capacity in the best possible way giving due consideration to environment and non-wasteful exploitation of resources. All this is best done by in-kind calculation, in terms of use values. (Leontief's famous input-output analysis is of great help here. In this analysis, inter-industry transactions that go into the production of the output of an economic system are arrayed in the form of a matrix, with the outputs of each industrial sector displayed along its row and the inputs it draws from other industries in its column. The ratio of each input to the output of the sector reflects the technological requirement for the input, which 'although it is usually expressed in monetary value, is "best visualised in the physical units appropriate to it, whether tons, bushels, barrels, kilowatts or (hu)man hours" Leontief 1982.)

For one thing there has been no socialism in the world till now. Far from being socialist, the regimes claiming to be socialist have been, as a matter of fact, in the strict sense, state capitalist, as their socio-economic foundation has been generalised commodity production and wage labour under the direction of Party- State. As regards DEMOCRACY, there was none of it in these minority regimes resorting necessarily to generalised repression. Here one may be permitted to refer to the debate between Lenin and Julius Martov, one of the unduly neglected heroes of the 1917 Russian Revolution. It's from a great authority on the Russian Revolution, E H Carr (1964): Martov attacked the violations of the Soviet constitution, diagnosed an apathy of the masses nourished and strengthened by centuries of slavery under Tsars and serf-owners, a paralysis of civic consciousness, readiness to throw all responsibility for one's fate on the shoulders of the government. Martov then read a declaration demanding the restoration of the working of the constitution, freedom of the press, of association and of assembly, inviolability of the person, abolition of executions without trial, of administrative arrests and of official terror. Lenin replied that Martov's declaration meant 'back to bourgeois democracy and nothing else', and continued: 'When we hear such declarations from people who announce their sympathy with us, we say to ourselves: No, both terror and Cheka are absolutely indispensable'.

Indeed, **socialism is an Association of free and equal individuals** and, as such, organically democratic. Precisely in this Association the free development of each would be the condition for the free development of all.