PAUL COCKSHOTT, ALLIN COTTRELL – KA NOVOM SOCIJALIZMU
TOWARDS A NEW SOCIALISM

Why is social democracy inadequate?

Social democracy has traditionally stood for a ‘mixed economy’, for the mitigation of the inequalities of capitalism by means of a system of progressive taxation and social benefits, for parliamentary democracy and civil liberties. At their most successful, social democratic parties have certainly succeeded in improving the conditions of the working classes, compared to a situation of unregulated capitalism; in Britain the National Health Service remains the most enduring monument to this sort of amelioration. Nonetheless very substantial problems remain. First, capitalist economic mechanisms tend to generate gross inequalities of income, wealth and ‘life-chances’, and social democracy has had little real impact on these inequalities, which have indeed worsened over the last decade or so. Only a radical change in the mode of distribution of personal incomes offers a real prospect of eliminating gross inequality. Secondly, the ‘mixed economy’ is problematic in two important ways. In the mixed economies that have existed to date, the socialist elements have remained subordinated to the capitalist elements. That is, the commodity and wage forms have remained the primary forms of organisation of production and payment of labour respectively. ‘Socialist’ activities have had to be financed out of tax revenue extracted from the capitalist sector, which has meant that the opportunities for expansion of ‘welfare’ measures and the ‘free’ distribution of basic services have been dependent on the health of the capitalist sector and the strength of the tax base. Only when the capitalist sector has been growing strongly have social democratic governments been able to ‘deliver the goods’. In this way, the capacity of social democratic governments to reshape the class structure of society has been inherently self-limiting: attempts at radical redistribution always threaten to destroy the engine of capitalist wealth-creation on which those governments ultimately depend.

What is the theoretical basis for a new socialism?

The principal bases for a post-Soviet socialism must be radical democracy and efficient planning. The democratic element, it is now clear, is not a luxury, or something that can be postponed until conditions are especially favourable. Without democracy, as we have argued above, the leaders of a socialist society will be driven to coercion in order to ensure the production of a surplus product, and if coercion slackens the system will tend to stagnate. At the same time, the development of an efficient planning system will most likely be impossible in the absence of an open competition of ideas. The failure of Soviet Communists to come up with viable socialist reform proposals over recent years is testimony to the malign effects of a system in which conformity and obedience were at a premium. Capitalist societies can achieve economic progress under conditions of political dictatorship, for even under such dictatorship the realm of private economic activity is relatively unregulated and the normal processes of competition remain operative, while the suppression of working-class organisation may permit a higher rate of exploitation. Under socialism, there can be no such separation of oppressive state from ‘free’ economy; and if criteria of ideological ‘correctness’ dominate in the promotion of managers and even in economic–theoretical debate, the long-run prospects for growth and efficiency are dimindeed.

Inequality

One of the main aims of socialism is to overcome the gross inequalities of income, rights and opportunities that are associated with capitalism. Socialism makes its primary appeal to those who suffer most from the inequalities of capitalism. Conversely, those who benefit, or believe that they benefit from inequality and privilege, have in the main opposed socialism.

Sources of inequality

Those who suffer under the present dispensation do not need to be told how bad things are; they know this already. The important questions are: what are the causes of the present contrast between poverty and wealth, and what can be done about it. Of these, logically the most important question is the first. What really causes inequality in the present society? The most important causes are:
(1) Exploitation of those who work
(2) Inheritance of wealth by a minority
(3) Unemployment
(4) Infirmity and old age
(5) The economic subordination of women
(6) Differences in skills and ability

Democracy and parliamentarism

What the ideologists of capitalism call democratic procedures would be more accurately described as psephonomic procedures (Greek psephos: vote by ballot). By glossing over the nature of class relations, such ideologies confuse the right to vote with the exercise of power. In fact all capitalist states are plutocratic oligarchies. Plutocracy is rule by a moneyed class; oligarchy is rule by the few. These are the characteristic principles of the modern state. This state, the end or telos of history according to Fukuyama (1992), the most perfect form of class rule since the Roman republic, exercises such hegemony, spiritual and temporal, that it appears to have banished all competition. Effective power resides in a series of concentric circles, concentrating as they contract through parliament and cabinet to prime minister or president: oligarchy. This power is openly exercised in the name of Capital, it being now accepted by all concerned that the job of government is to serve the ends of business, the highest objective of a state: plutocracy. The plutocracy’s power derives from its command over wage labour, a relationship of dominance and servitude whose dictatorial nature is not abolished by the right to vote. Psephonomia or election is merely a mechanism for the selection of individual oligarchs. It at once lends legitimacy to their rule, and enables these to be recruited from the ‘best’ and most energetic members of the lower classes (aristoi). At best, election transforms oligarchy into aristocracy.