

# Maitag des PROLETARIATS

Paris 1900  
London 1896  
Paris 1871  
Brüssel 1848  
Paris 1847

PARISER KOMMUNE 1871

DIE INTERNATIONALE 1864

Louis Lullat

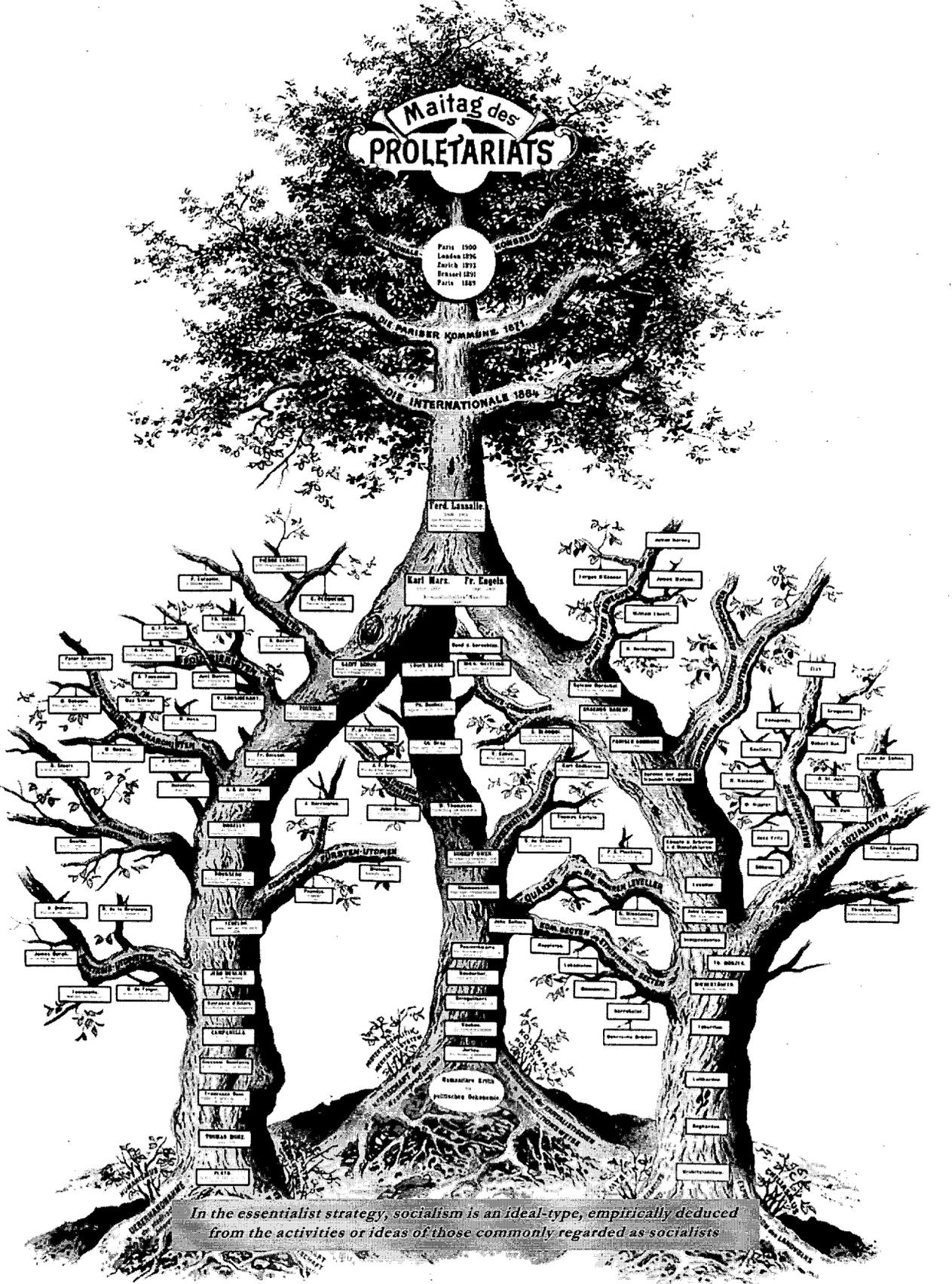
Karl Marx, Fr. Engels

Adolf R. Bernstein

Georg Meier

*In the essentialist strategy, socialism is an ideal-type, empirically deduced from the activities or ideas of those commonly regarded as socialists*

**Stammbaum des modernen Sozialismus.**



**Socialism is dead. Long live socialism!**  
**A historical reflection on socialism in the twentieth century <sup>(1)</sup>**

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**Introduction**

Those who venture to discuss the meaning of socialism confront two distinct but not incompatible strategies: the essentialist and the historical.

The essentialist strategy proceeds in conventional Weberian fashion. Socialism is an ideal-type, empirically deduced from the activities or ideas of those commonly regarded as socialists. Once the concept is constructed, it can be used historically to assess concrete political organizations, their activists and thinkers and measure the extent to which they fit the ideal type, why and when they diverge from each other, and account for exceptional behaviour. This procedure, of great heuristic value, is still broadly accepted and widely used, even though its theoretical rigour is highly dubious as the analysis rests on a somewhat arbitrary selection of the 'socialist' organizations and individuals used to produce the ideal-type concept of socialism.

This procedure has the added disadvantage that, if strictly adhered to, it does not allow for historical change. Once the ideal-type is defined, novel elements cannot easily be integrated into it. However, life must go on, even in sociology. So when something new turns up, such as a revisionist interpretation, all that is required is to hoist the ideal-type onto the operating table, remove - if necessary - the bits which no longer fit, and insert the new ones. Thus rejuvenated, the concept of socialism can march on, rich with new meanings; social scientists, armed with a neatly repackaged ideal-type, acquire a new lease on life, produce more books on the new socialism and make academic publishers happier still.

Alternatively, sociologists may defend the old ideal-type, pronounce the new revisions incompatible with it and declare socialism dead. They can then write more books on the death of socialism and make academic publishers happy.

Activists, unconsciously Weberian, proceed in the same essentialist fashion, either exalting the new revisionism and its intelligent adaptation to the realities of an ever-changing world, or bitterly recriminating the changes which have occurred, evidence of yet another bastardly betrayal of the old faith. In so doing they keep 'socialism' (i.e. their idea of socialism) alive, its body on a life-support machine, waiting for better times. Such clash between modernizers and fundamentalists is a regular fixture of political movements, especially where ideologies and values are of central importance - as is the case in socialist and religious movements.

It is evident from the tone of the above remarks that I favour the second strategy, the historical one, though this has problems too. Its opening move is the same as that of the essentialists: one selects the organizations and thinkers which self-identify as socialists and tell their stories in a conventional empirical fashion, highlighting similarities and differences. However, no definition of socialism is required: socialism becomes what socialists do. No prediction can be made: the death of socialism - like that of feudalism - can only be declared when it is universally acknowledged and no longer a matter of dispute, that is, when there are no socialists left except for the usual cranks, who, along with flat-earthers, may have some remaining anthropological interest.

While the essentialist strategy is overwhelmingly concerned with the question of definition, the historical one is obsessed with change and causality - why do socialists behave as they do? - and hence with the context within which organizations and thinkers act as they do. This method, far from discounting the importance of ideology, regards it as an integral part of the history of the movement. What is of interest here is the

connection between the particular ethical view of the world championed by socialists and their action in the domain of practical politics. How such theory and such practice are modified over time is thus the central preoccupation of the historical approach.

This procedure, with its emphasis on the inevitability of historical change, is clearly less judgemental than the essentialist one. However, like all historicist narratives, it suffers the persistent hazard of falling into a determinist version of events: whatever happened had to happen. It is useful to be conscious of this and be aware that, within determinate circumstances (this is not a minor proviso), things could have proceeded differently. In particular, it is worth reminding ourselves that while it is true that the socialist movement arises with the inception of industrial society and tracks its development, it is never a necessary component of it. There have been, there are and, in all likelihood, there will be industrial societies without a significant socialist movement. Similarly, there have been societies with a powerful socialist movement where the process of industrialization had barely begun.

### The Two Socialisms

At the beginning of the twentieth century socialists knew that their movement was contingent to capitalist society. It is true that the version of Marx's theory most of them adhered to implied that socialism was a state of affairs that would succeed capitalism, but they had noticed that the fastest growing capitalist society in the world, the USA, did not have a socialist movement. They were also equally aware that the most developed capitalist state in Europe, Great Britain, home

of powerful trade unions, had, at most, only an embryonic socialist party. From their point of view, Britain was an advanced capitalist society with a backward socialist movement. Conversely, some of the still mainly agrarian societies of Europe - such as Italy and Finland - had fairly strong and electorally successful socialist parties.

In Russia the movement appeared divided - like the whole of the Russian intelligentsia - between westernizing and slavophile tendencies. The westernizers assumed that the duty of socialists was to accelerate the development of capitalism, because only capitalism could provide the terrain for a further advance towards socialism. The slavophiles surmised that Russia would be able to skip western-style capitalism. Populist anti-capitalists - such as V. Bervi-Flerovski, author of *The Situation of the Working Class in Russia (1869)*, - a book much praised by Marx - held the view that the 'mir', the Russian peasant commune, provided communal principles which could and should be made universal. Russia could avoid the iniquities of capitalism and offer the rest of the world the example of a superior social system based on nation-wide solidarity and co-operation. This mirage of overtaking and outstripping the West remained a fundamental feature of nearly all revolutionary Russian beliefs. A century later, the abandonment of this 'Great Idea' coincided with the collapse of the entire communist system.

The westernizing and slavophile positions converged towards a notable consensus: the real problem facing Russian society was one of modernization which was then regarded as being co-terminous with industrialization. The issue was whether this should be left to the capitalists themselves or should be undertaken directly by socialists. Those who

held the second view were inevitably pushed towards the proposition that to achieve socialist-led industrialization it was necessary to be in charge of the political apparatus itself, that is, to be in command of the state. It did not follow that the state should necessarily own the means of production.

There were various possibilities: the state could substitute itself for a class of capitalists visibly unable to perform its historical task; alternatively the state could encourage the capitalists and help them to industrialize the country or, again, it could stimulate some entrepreneurs, for instance in agriculture or in new or/and smaller concerns, or it could provide financial incentives to a managerial class operating in a quasi-market even where private property had been abolished. The appropriate mix of state and market was never an issue settled once and for all and it certainly did not follow inevitably from the October Revolution. After all, much of the subsequent history of Russia - from war communism, to the New Economic Policy, to Stalin's five-year-plans, to the limited and inadequate economic reform of the 1960s and 1970s - can be seen as a dispute over the relationship between markets and politics.

This version of socialism or 'developmental socialism' can be described as an ideology of modernization or development. Though its final goal is a socialist society, its practical tasks consisted in developing an industrial society under conditions where it was felt that if socialists did not do it either no-one would (and the country would stagnate) or foreigners would do it (and the country would be like a colony). This kind of socialism - one is tempted to define it as capital-building socialism - coincides, more or less, with communism and its state socialist variants.

The other variety of socialism - the main concern of the rest of this essay - can be conceived as a form of regulation of capitalism. Its task is not to develop an industrial society; the capitalists themselves are busy doing just that. Far from requiring any 'help' from socialists, they can do it better and faster without them - as nineteenth-century Britain and twentieth-century America and Japan amply demonstrate.

This coincides with what came to be known as social democracy. The contrast between developmental or modernizing socialism and socialism as capitalist regulation is, of course, far more profound than this. The former, whether in the USSR or in Cuba or in China and North Korea exhibited marked authoritarian features and intolerance of dissent and of pluralism which matched and in some cases exceeded those of capitalist authoritarian regimes. The latter brand of socialism coexisted, in all instances, with democracy, pluralism, and human rights. Such a comparison is often, quite legitimately, made by social democrats themselves who point out that developmental socialism (i.e. communism) was never liberal while social democracy was never dictatorial. It is tempting to agree and to follow convention by distinguishing communism from socialism, and to leave it at that.

Unfortunately this would leave a number of problems unsolved. The passage from pre-modern to modern society, at least in its initial phase, has seldom been accompanied by democracy and human rights in their twentieth century meaning. Even in Britain or the USA, not to speak of Germany and Japan, the pattern was one in which the suffrage was non-existent or severely restricted, freedoms were seriously limited, trade unions were banned or subjected to

harsh control. In some instances the process co-existed with slavery and genocide (the USA), racism, colonialism, rigid authoritarianism (for instance in Japan) and one-party rule (for instance in Taiwan and South Korea until relatively recently). Full democracy and human rights were established later. They were, in other words, the outcome of a 'political' struggle, and not an imperative accompaniment of the first phase of the process of modernization. Social democracy, where it existed at all, was in the forefront of the political struggle for democracy and human rights, goading along the liberal parties, then far less democratic, and even the conservative parties, then barely democratic, towards political reforms.

Social democrats, however, when capitalism was not fully developed, were usually in opposition. The modernization of the country, the development of capitalism, its profitability and productivity were not their concern. They came to power only when the first phase of industrialization was over, unlike the communists who came to power facing the problem of industrializing the country (with a few significant exceptions such as Czechoslovakia and East Germany). It does not follow from this that the degree of authoritarianism exhibited by communist rule was justifiable or inevitable. In principle, other, less harsh and cruel forms of modernization could have been devised. The point is that the two forms of socialism which have characterized the twentieth century are not comparable. Ideologies are shaped by the kind of societies within which they operate and the relationship they have to political power, that is, to the state. Social democrats ruled only when capitalism was well-established and democracy had become the common property of the main political

parties. Communists had to develop an industrial society. Social democrats (or socialists, I shall use the two terms interchangeably) had to manage it. Communists prevailed in less developed societies, socialists in developed market economies.

### **Individualism and Collectivism**

One of the many paradoxes confronting the historian of socialism is that the notion of managing market societies was not part of the ideological armoury of socialists although this is what they all ended up doing. At the turn of the century, socialist ideology distinguished between an end-goal and short- or medium-term demands. The end-goal was a socialist society vaguely defined as the abolition of private property. The short-term demands were varied but, on the whole, they aimed at achieving three aims: the first was the democratization of capitalist society, the second was the regulation of the labour market (for instance, the eight-hour day) and the third was the socialization of the costs of reproduction of labour: free medicine, pensions, national insurance - in short, costs which would have had to be absorbed by individual workers. This third goal is what we now call the welfare state.

The values which informed this politics were those of equality, social solidarity and the establishment of minimum standards of life. If all citizens were to be of equal worth, they all (including women) had to have the vote, had to be treated equally, and have the same rights. Illness, unemployment and old age were to be protected by a common fund, centrally administered and financed. The definition of what would be the minimum standards of civilized life could not be left to

the sphere of civil society, that is to the arbitrariness of the market. It had to become a political matter. The state was to be called upon to enforce a system of protection which would not exist or would exist in a rudimentary form if left to market forces. This was the basis for subjecting the conditions of work to state regulation: health and safety procedure were to be strengthened and enforced and a limit placed on the length of the working day. To force the state to operate in this way, it was necessary to democratize it, i.e. to detach it from the exclusive control of the dominant classes.

The extension of democracy socialists advocated was not based on class principles but on the principle of individual rights. Universal suffrage, after all, assumes that all individuals have exactly the same worth when voting: each, literally, counts as one. The ballot had to be secretly cast by a lone individual making an individual choice. In the domain of politics, socialists, far from being class-conscious, were staunch individualists. It is worth reminding ourselves of such unexceptional views, historically well-documented, at a time when socialists are criticized (and supinely accept to be criticized) for their alleged class collectivist position. Those who, at the turn of the century, defended a class conception of democracy were the liberals and the conservatives not the socialists. Liberal or conservative parties defended an electoral system which allocated votes in terms of the wealth possessed or earned by each individual. Throughout Europe they also accepted and defended an upper chamber which over-represented or represented only the members of the upper classes. As I write, such an institution still exists, incredibly enough, in Britain, the 'mother of democracy'. Furthermore, liberal and conservative parties

# DE SOCIALISTEN WILLEN:

ONDERWIJS

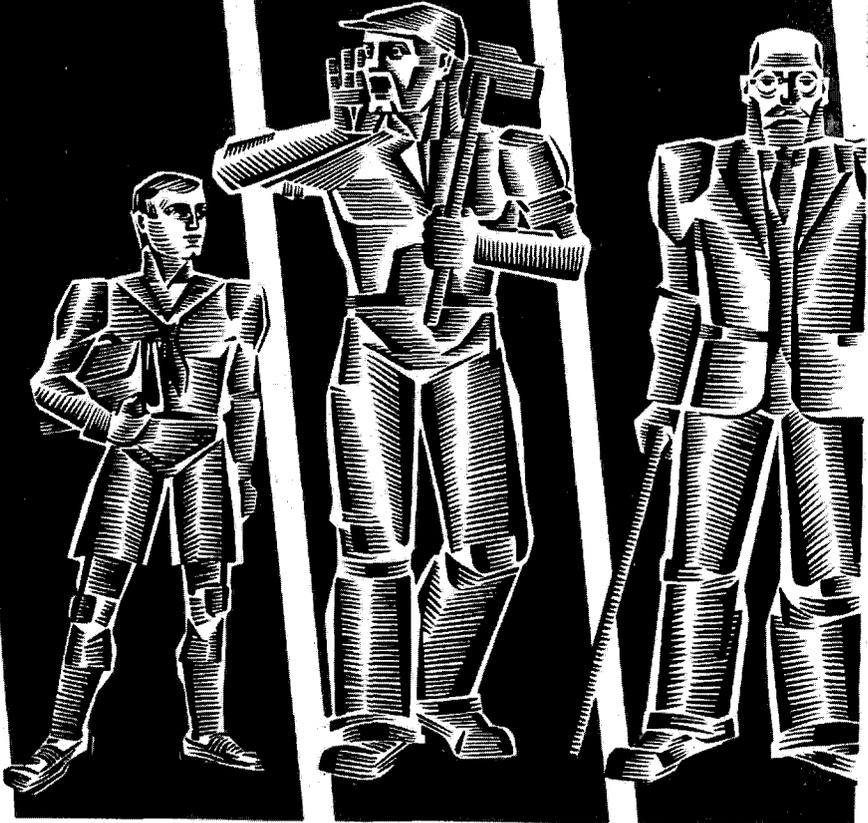
ARBEID

PENSIËN

TOT JAAR

UREN  
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# STEMT VOOR DE SOCIALISTEN!

STRAAT VAN DE PROPAGANDA CENTRALE, 100 0 0 17

DEEL 1 - IN WAKT STORMERIE, 22 AUGUSTUS

*Socialists were far more consistent defenders of individual democratic rights than liberals and conservatives*

were not only guilty of 'class-ism', but also of sexism. Not only did they oppose the enfranchisement of the working class, they also opposed that of women. Their opposition to working class suffrage may have been based on opportunism: workers, they felt, would have increased the electoral weight of dangerous socialists. Women, on the other hand, were believed to be more likely to vote for conservative and traditional parties, yet these resisted female suffrage - a rare instance of ideology and principle prevailing over self-interest.

Socialists, of course, often did not fight for female suffrage with great vigour, but this had little to do with principle. Some were moved by their commitment to gradualism and moderation (the modern requirement to keep everyone happy, jolly them along, upset no-one and remain united). It was thus essential to proceed by stages and to achieve full manhood suffrage before extending it to women. Other socialists were moved, quite simply, by political opportunism: it was clear to them that the enfranchisement of women would give a distinct advantage to religious parties. When it came to principles and values, however, all socialist parties stood firmly on the side of real universal suffrage. Thus socialists were far more consistent defenders of individual democratic rights than liberals and conservatives. However, in the pursuit of their second aim, the regulation of the working day and, more generally, the regulation of the conditions of work, socialists took a clearly collectivist position. The contractual relation which associated capitalists and workers was one of individual to individual. In exchange for agreed wages, each individual worker undertook to perform a determinate operation, in determinate conditions and for a determinate length of time

- a situation Marx and his followers described as 'formal' equality, meaning that such agreement was between juridically equal parties, a contractual relation between equals which disguised a massive inequality in power. Furthermore, capitalists had substantial advantages, especially where there was a considerable surplus of labour which, in the initial stages of industrialization, was the norm. The formation of trade unions was a collective means of redressing this inequality of power. Their chances of success depended on a variety of factors the most important being the absence of legal impediments to their effective functioning. Here, the unions were in favour of retrenching the state and might well have adopted the latter-day slogan of "*getting the state off their backs*". When it came to the political enforcement of minimum standards, however, the unions were in favour of bringing the state back in to create, to use, once again, modern terminology, a level playing field among entrepreneurs, preventing them from competing at the expenses of the workers.

The third aim, the creation of what was later called the Welfare State, entailed the socialisation of some of the costs of reproduction of the working class. The collective tax fund (to which the middle classes were expected to contribute disproportionately) or the forcible extraction of contributions from the capitalists could be used to help finance pensions, national insurances and medical expenses. This would have had obvious beneficial effects for the workers and their families, but it also allowed the entrepreneurs to pay them less. While wages are necessary for the reproduction of the working class, the development of non-wage benefits meant that monetary wages (as opposed to real earnings) could be lower than they

would have been if there were no other benefits.

The success obtained in reaching these aims differed from country to country. Much depended on the relative strength of the two contending classes, capitalists and workers, the wealth of the economy, the power and dominance of landed aristocratic interests, the prevailing political ethos, the position of the Church. For instance, at the turn of the century, the USA had the most rapidly developing economy in the world, but wave upon wave of immigrant labour acted as a break on the formation of powerful politically-inclined trade unions, and the competition among capitalists enabled some to opt for a high wage strategy (Fordism) which helped prevent the formation of a larger market for consumer goods than would have been the case otherwise. While the American political elites were also largely impervious to trade union pressures, they were less resistant to those stemming from the large class of small farmers. The ensuing polarization more or less isolated the trade union movement and weakened its political development, hence the development of a peculiar anti-big business populism.

Britain followed a different path. In the nineteenth century its working class was large and well-organized, and had, by the standards of the time, a long history of struggles and militancy. No established party could ignore the workers. The religious fragmentation of the country and especially of the working class contributed to preventing the formation of a confessional party along the lines of continental christian democracy. The result was that, in the second half of the nineteenth century, liberals and conservatives competed with each other for the support of the labouring classes and incorporated in their

own programme aspects of a social democratic platform before that could find an outlet as an organized political party. This helped delay the formation and growth of a large British socialist party along the lines of the SPD. On the continent, a similar process of cooption was under way: nation-building required the incorporation of demands emerging from the lower classes and took the form of what was called in Germany a form of 'state socialism' - built by Bismarck and supported by the socialist leader Ferdinand Lassalle. Liberal, conservative and nationalist parties were in the forefront of this movement. They were eventually joined by Church-based parties particularly when the Roman Catholic Church abandoned its intransigent defence of the ancient regime and adopted a new position towards what it called the 'social question' with the publication in 1891 of Pope Leo XIII's encyclical *Rerum novarum*.

### Socialists, Liberals and the State

By the beginning of the twentieth century the three key aspects of the medium-term programme of social democracy could be found in some form in other parties. It follows that it was no longer possible, if it ever was, to establish a clear and permanent distinction between socialists and non-socialists in terms of practical policies.

There were, of course, also massive differences: socialists remained committed to the long term aim of achieving a post-capitalist society, possessed a set of distinctive symbols, advanced their demands in a more radical way, pursued and explored new forms of struggle, such as the political strike, remained opposed to overt co-operation with other parties, and,

with the exception of Britain, expounded anti-clericalism. In other words socialists tried to distinguish themselves in all possible ways from what they persisted in regarding as a monolithic bourgeois bloc.

The continuous attempt by anti-socialist forces to incorporate socialist demands should be regarded as evidence of the success of socialists and of their ability to shape and influence political developments. But it also makes it impossible to construct a full-proof definition of socialist policies.

The extension of democracy, the institution of the welfare state, the control of the working day were socialist aims and policies, but one can always find, at any moment, similar demands advanced and implemented by non-socialist parties, be they right, centre, conservatives, liberal, christian or nationalist. From the outset, 'socialism' was not the prerogative of socialists.

It is true that socialists were forced, in their everyday practice, to trim their demands and accept compromises, but so were the conservatives and liberals. The extension of democracy and the advance of mass society meant that no political party could hope to obtain sufficient support either by defending the status quo 'in toto' (the essential conservative position) or by proposing to return to the status quo 'ante' (the essential reactionary position). Reformism triumphed. It was adopted by the most varied forces: in Germany by Bismarck and the later Wilhelmine nationalists as well as the 'social' christians of the Zentrum party; in Italy by the majority wing of the Liberal Party (Giovanni Giolitti) and the emerging forces of political catholicism; in France by the Radicals of the Third Republic; in Britain by both Disraeli's and Salisbury's conservatives as well as Joseph Chamberlain,

Gladstone, the New Liberals, Asquith and Lloyd George; in Austria by the antisemitic Social Christians of Karl Lüger and in Holland by the new confessional parties in alliance with the more enlightened Liberals.

The impact of this turn to the social was more visible at the local level than at the national. Local authorities were busy devising imaginative schemes to improve the social conditions of urban life through public health programmes, housing developments, slum clearance, poor relief - that is by developing an important local public sector. This evolving 'municipal socialism' was seldom, if ever, the work of socialists. The success of reformist socialism, like the success of all political ideologies, lay in the fact that it did not have a monopoly of what it stood for. In politics success consists in ensuring that what one thinks as normal or desirable or possible becomes the shared attitude, the common property of the entire polity. To achieve this, however, it is necessary to formulate demands which are detachable from the ideological package (the symbols and language) which accompanies it. This can only be realized when the connection between ideological values and practical policies is vague and loose, and thus ready to be endlessly renegotiated. It is precisely because it is perfectly possible to be in favour of adequate pensions without signing up to the end goal of socialism that adequate pensions can be fought for by liberals and conservatives. Consistency and coherence may enable small political sects to survive indefinitely, but they spell certain ruin for parties and movements with real hegemonic ambitions. Approaching socialism as a political programme which overlaps with that of other parties helps to highlight the importance of the long-term aims, of the symbols used, of

the privileging of a particular class. Socialist parties, like other parties, had to advance contradictory positions. On the one hand they put forward a realistic programme which could appeal to as many people as possible; on the other they stressed what was absolutely distinctive and unique. They knew successful policies were likely to be imitated and popular demands taken over. To counter the probable dispersion of support, socialists presented themselves as the authentic champions of reforms. At the same time, they emphasized that these were not ends in themselves but steps to a situation - socialism - where they would no longer be necessary because the social problems had been eliminated. Thus the insistence on the final end was not only part of a recruitment strategy aimed at intellectuals and others with millenarian aspirations. It was also a convincing way of reinforcing the appeal of what might otherwise appear as limited reforms. Similarly, the insistence on the working class was not just derived from Marxist theory - the non-Marxist British Labour Party was a far more vociferous advocate of a 'proletarian' consciousness than most of its continental counterparts. It was the recognition that that particular social group represented the most likely source of support for social and economic reforms. The struggle for democracy, for the welfare state and for the regulation of the working week thus created a wide arena of struggle in which all the main parties participated. It also brought about a fundamental feature of twentieth century socialism: its etatism. It is only relatively recently that socialists themselves have come to question it. The growth of an exceptionally strong centralized state in the USSR and the development, between the wars, of so-called totalitarian

states offered those opposing socialism an ideal platform. Fascism, Nazism and Stalinism may have been extreme forms of state-worship, but did not socialist thought itself come perilously close to it? Had not socialists developed a 'love affair' with centralized control. Was not the welfare state itself - often depicted as the product of a compassionate and socially concerned ideology - but the moderate face of an obsession with controls, bureaucracy, and top-to-bottom direction? Was it not in fact a systematic onslaught against individual freedoms and incentives?

Socialists have now accepted, partly out of political opportunism, partly out of conviction, partly out of that chronic ignorance of their own history that blights modern political movements, that there is an element of truth in such criticisms. In fact etatism was an inseparable and inevitable part of the practice of socialist (i.e. of reformist practice) but not of its ideology (i.e. of its revolutionary commitment to a socialist end-goal). Throughout the nineteenth century, when socialists were in opposition and the movement in its infancy, socialism was against the state. The reasons are so obvious and have been investigated so thoroughly that here they can merely be restated: the state was - to Marxists and non-Marxists alike - a bourgeois state which deprived workers of the right to vote and produced legislation which, by and large, favoured the entrepreneurs, the aristocracy and the middle classes far more than the workers. The anti-state position of the socialists had some substance. For similar reasons the European confessional parties, where they existed, and the Roman Catholic Church also regarded the state as an alien force. It was, after all, in the hands of disbelievers

and rationalists (as in France and Italy) or 'state-worshippers' (Bismarck and German nationalists). The Church realized perfectly well what liberal propaganda has always attempted to disguise, namely that the power of the state was usually the inevitable counterpart of the cult of the individual. In the nineteenth century the state was regarded by liberals as the essential means with which to break down the resistance of traditional privileges, or local power and clear the way for the development of national markets and hence for the accumulation of capital. Similarly, conservatives regarded the state as the main instrument to be used to slow down the advance of liberal reforms. The real 'etatistes', in the nineteenth century, were the liberals and the conservatives.

Gradually, at first imperceptibly at the beginning of the twentieth century, more overtly between the wars and conspicuously after the Second World War, socialists came to recognize that the state was the best political weapon available for the implementation of the three components of the original political programme - democracy, welfare and regulation of labour market.

It is rather surprising that this acceptance of the state - not just the state as a concept, but the state as a machine, as a coercive apparatus - came so late in the development of twentieth century socialism. There was, in the years before the First World War an optimistic view of the possibility of forcing the bourgeois state to implement the socialist reform programme. In principle they were not wrong. Without the state there could not have been a socialization of some of the cost of reproduction of the working class (the welfare state) and a regulation of the working day. Powerful trade unions, without a political party, could have struggled

alone and negotiated with employers over the length of the working day, the conditions of work, holiday pay etc. They could have acted as a pressure group and wrest concessions from governing political parties. This was, prior to the Second World War, the British experience. Two patterns emerged: on the continent, the length of the working day and similar labour market regulations were obtained from the state; in Britain these were left to the 'class struggle', that is to the trade union's confrontation with the employers. The continent followed the principle of universal rights: where the eight-hour day was won, it was won on behalf of all citizens. In Britain any gain would be confined to union members.

The endorsement of the state was thus not part of the ideology of socialism. It was instrumental to the achievement of their medium or short-term aims. The commitment of socialists to the state grew as these aims became more significant and as the final aim of a post-capitalist state receded ever more into the future. Universal suffrage made the state more receptive to the demands made by the socialists on behalf of all citizens. It also made it more legitimate and hence more powerful. It enabled socialists to achieve political power by 'capturing the state machine'. This facilitated the implementation of the rest of their reform programme - the regulation of the working day and the socialisation of some of the cost of production and reproduction. This transformed industrial society.

Socialists and liberals shared equally positive assumptions about industrialism, but had different views on what the relationship between the political system and industry should be. As far as liberal 'theory', as opposed to its practice, was concerned, the purpose



*The planning mechanism installed by Stalin in the late 1920s was not the inevitable consequence of the Bolshevik victory, but the outcome of a vigorous political conflict which saw the victory of the planners over their more gradualist opponents. Photo: cooperative in the USSR in 1929*

of the state was to remove obstacles to the advance of industrial society. Once this was achieved, industry - as part of civil society - should be allowed to develop without interference. It is noteworthy that this was precisely the position reached by some of the early socialists, in particular Saint-Simon. The socialists were ambivalent about civil society. On the one hand they wanted to be as free as possible to organize and use collective action to achieve their demands, thus joining with the liberals who wanted broad market freedom. On the other hand they viewed civil society as a space where the distribution of power and money was so uneven as to dilute considerably the equality of rights achieved in the political arena.

### **After the First World War**

Socialists thus regarded the state either as an alien force or as a machine which could be used for the redistribution of power. They hoped that they could control capitalism and eventually replace it. What they did not assume is that they could manage capitalism. And here lies the other substantial zone of agreement between socialists and liberals. Before the First World War, no socialists, whether Marxist or non-Marxist, moderate or authoritarian, contemplated a planned economy. How socialism should be organized was an issue on which socialist parties were quite silent, or resorted to vague generalization of no practical value. The intellectuals were of no help. Marx somehow thought that the socialist economy would run itself, it would be 'the administration of things' whatever that meant. Lenin piously suggested that a cook would be able to run it. Kautsky, like most social democrats of the time, simply

believed that the question could be resolved only when capitalism had fully developed and when the working class had acquired a superior culture and intellect. Bernstein, as he declared more than once, was not much interested in a socialist society, preferring to fight for the improvement of the conditions of the working class under capitalism. There were no plans to create a large public sector, or to nationalize the economy.

The war changed matters and not only for socialists. Politically it broke the isolation of socialists from bourgeois parties in all the contending countries, as socialists in France and Germany put the defence of 'their' state over international solidarity. In economic matters, states were forced to manage the economy, regulating labour markets, production and distribution to an unprecedented extent. The idea of managing the capitalist economy was firmly installed on the agenda of liberals, conservatives and socialists alike.

In Russia the collapse of tsardom and the ensuing military debacle created a power vacuum which allowed the Bolshevik seizure of power. Even then the automatic response of the Bolsheviks was not the abolition of private property and the construction of a planned economy. During the civil war the forcible top to bottom control of the economy was due to requirements of the military situation, not to ideological preconceptions. The 'step back' towards the adoption of the New Economy Policy was seen as a return to a market economy, not as the harbinger of new forms of economic management. The planning mechanism installed by Stalin in the late 1920s was not the inevitable consequence of the Bolshevik victory (ten years after their seizure of power!) but the outcome of a vigorous political conflict which saw the

victory of the planners over their more gradualist opponents. In other words, even in what had become the USSR, socialism had not been always identified with the abolition of market forces or with a state monopoly of the economy.

Elsewhere in Europe, socialists turned out to be reluctant economic interventionists. One of the effects of the Russian revolution was to remove from socialist parties their more radical cadres who formed communist parties. Nowhere were these able to secure the support of a majority of the socialist electorate, even where, as in France, they had been able to rally the majority of party activists. The upshot was that some socialist parties, though radicalized by the war, were freer to pursue more conciliatory policies towards parties of the centre and the centre-left. Before the war all socialist parties, without exceptions, accepted the political principle that under no circumstances would they cooperate with 'bourgeois' parties. During the war and even more so afterwards this principle was abandoned. In the 1920s and 1930s socialists were finally able to achieve political power and to form governments. In all instances they were able to do so only in alliance with other parties: in Sweden, in France, in Germany, in Britain, in Spain.

Some of the ideological barriers which had been erected to distinguish socialists from the rest came tumbling down. As we have seen, in terms of practical politics, these barriers had been flexible all along. After the war and particularly in the 1930s, key aspects of the reform programme of social democracy came to be accepted by other political forces. Radical organizations of the right (fascists and right-wing populists) incorporated some of the social demands of the left, including major features of welfare

reform, but rejected the democratic politics which accompanied them. Liberal, catholic and centrist forces accepted the principles of universal suffrage, though in some cases (France, Belgium and Switzerland) still excluded the female half of the population. The principle of the regulation of the working day became almost universally accepted.

The incorporation of some aspects of the welfare state while repressing the political forces which most strongly advanced it became the hallmark of the populist authoritarian regimes which prevailed in areas of central, southern and eastern Europe such as those of Fascist Italy and Nazi Germany. In some of the remaining democratic states of western Europe a period of uneasy compromise between labour and capital characterized the interwar period.

The existence of a communist movement forced the socialist parties to develop ideological barriers to their left. They did so by stressing the importance of political democracy. This they no longer regarded only as the best political shell for the implementation of their economic and social demand but also as the thing that fundamentally distinguished them from the communists. Socialists, however, were also influenced by key aspects of the new communist ideology, namely the importance of the expansion of state ownership. The regular re-interpretation of the famous Clause Four of the Labour Party is emblematic. Adopted in 1918 almost as an afterthought, it vaguely referred to the 'common ownership' of the means of production, distribution and exchange. How this would work in practice remained unclear. To some, it referred clearly to a socialist future. To others it became part of a

gradual process towards a socialist society: capitalism would eventually be abolished as firms and entire industries came to be absorbed into an ever expanding public sector. To others again, public ownership would compensate for market failures, eliminate inefficient firms, prevent private monopolies.

The process of osmosis between left and right which had started before the First World War continued and was accelerated by the crisis of 1929. Liberals were no longer so certain that the state which interfered the least was the best. The rapidly developing unemployment which had de-stabilized Germany and threatened France and Britain was seen as evidence that the socialists had been right at least on one point: market forces did not naturally lead to an equilibrium but to chronic instability. In Italy the fascist regime reacted to the crisis by taking over most of the banking system, but limited state intervention became acceptable even in liberal and conservative Britain.

Nevertheless, the old pre-WW1 view that capitalism and socialism were rigidly separated - one shared with the communists - remained in place almost everywhere between the two wars. When socialists came to power they refrained from extending the public sector, and did not attempt to direct the economy. Capitalism, they believed, could not be managed except by capitalists, hence the respect for orthodox economics exhibited by socialists in Weimar Germany after 1928, in Britain when Labour was in power in 1929-31 and elsewhere, such as in Belgium and in the Scandinavian countries. The most that could be done was to set up systems of conciliation and negotiation between capitalists and trade unions, one of the many schemes of 'partnership' between

the two sides of industry which are still - at the beginning of the twenty-first century - hailed as the 'dernier cri' in socialist modernity: from the Stinnes-Legien pact of 1918 which established in Germany the joint labour-management board for economic regulation, to the 'Whitley Councils' in Britain, from the Matignon Accords of 1936 following the victory of the Popular Front in France, to the National Recovery and Wagner Acts of 1933 and 1935 in the USA, from the Saltsjöbaden Agreements in Sweden (1938) to the Main Agreement in Norway (1935).

Nevertheless, to most socialists, then as later, practical socialism meant protecting the workers and their families by developing the tried and tested policies of welfarism and regulation of the conditions of work. The victory of the Popular Front government in France was a clear sign that whenever they could socialists should 'occupy power' - and implement needed reforms - even though the time had not come for the 'exercise of power' to use Leon Blum's famous distinction. In opposition some socialists advanced schemes for planning the economy - as in Belgium with Hendrik de Man's 'Plan du travail', or, to use its more appropriate Flemish title, the 'Plan van den Arbeid' - and advocated a mixed economic system including, in addition to a private sector, a nationalised sector consisting of credit institutions and former private monopolies. This obviously required a strong and efficient state. Conservatism, right-wing authoritarianism, the technocratic liberalism of Keynes and Lloyd George and all shades of socialism converged on this. The only main ideology still defending the minimal state, classical liberalism was on the run, after the collapse of 1929, even in its Anglo-Saxon heartland.



*The victory of the Popular Front government in France was a clear sign that whenever they could socialists should 'occupy power'. Photo: Leon Blum*

## After the Second World War

After the Second World War, European social democrats became leading contenders for power in virtually all the democratic countries of western Europe. Of their three-pronged platform, the first - universal suffrage - had become the unquestioned basis of all politics with some significant exceptions which all occurred where socialist parties did not wield any powers: the southern states of the USA which, until the early 1970s, deprived blacks from exercising their right to vote in most elections, Switzerland where many cantons (in which socialists were weak) restricted suffrage to men only until 1971 and South Africa where - until the collapse of the apartheid regime - a multi-party system excluded blacks from effective political participation.

So strongly recognized was the principle of universal suffrage that it was adopted or maintained - albeit in principle only - in most of the newly decolonized countries and in all communist states; dictatorial rule was secured not by disenfranchisement but by the elimination of all effective political opposition.

The principles of welfarism and full employment never had such universal legitimacy. They became state policies prevalently in western Europe and where socialist parties were strong such as in Australia. As for the public sector, it was expanded throughout western Europe, but there was little connection between the extension of the public sector and the strength of socialists. Post-war nationalizations occurred under the impetus of conservatives (Gaullism), christian democrats in Austria and Italy, socialists (in the UK). One of the smallest state-owned sectors in Europe was in the

social democratic Nordic countries.

No common foreign affairs principle was adopted in the post-war period. The pre-World War One rhetorical commitment to pacifism remained, after the Second World War, a sub-culture within the socialist parties. These were divided between Atlanticists and neutralists and between those in favour of the political integration of Europe and those who remained committed to a national conception of socialism. Only in the 1990s did Europeanism become a factor uniting all socialist parties - unlike Atlanticism which, even after the collapse of the USSR and the eastward expansion of NATO, was not accepted by major socialist parties such as those in Sweden, Finland and Austria.

The international organization the socialist parties had formed was never more than a symbolic forum. Its pronouncement simply reflected in general terms a vague consensus on matters of principles. In fact each socialist party behaved strictly as a national organization whose priority was to safeguard of its own national polity and, consequently, the requirements of its own national capitalism. As we have seen, the connection between modern socialism and its state and hence with its own capitalism had started to be established towards the end of the last century. It is thus hardly surprising that, as socialists proved successful in reforming their capitalist societies, they were reluctant to let go of the existing regulatory institutions: a large public sector, a powerful central bank, a mechanism of exchange control, a complex system of subsidies and regional policies, an intricate mechanism for the control of the labour market. This regulatory aspect became the fundamental relation between socialism and capitalism and further reduced the importance of the older goal of abolishing capitalism. This,

# DIE NATÜRLICHEN ENERGIEN EUROPAS.



EUROPÄER ALLER LÄNDER VEREINIGT EUCH.



*Only in the 1990s did Europeanism become a factor uniting all socialist parties*

in fact, had become largely of symbolic value. It stood to represent that, however indispensable was a thriving economy for the success of all other intermediate socialist goals and however distant were the prospects for a post-capitalist society, socialists still stood in an antagonistic relationship to capitalism. However, the popular appeal of this symbolic message had been much reduced. The prosperity associated with capitalist growth, the establishment of full employment, the protective apparatus of the welfare state, the patent incapacity of communist states to develop a consumer society comparable to those in the west, had almost eliminated the deep-seated antagonism against capitalism which had existed previously. Other political parties, such as those committed to christian and conservatives values, who, in the past, had not been major proponents of capitalism, discovered its virtues. The socialists did the same. Thus, gradually but constantly, at varying speeds depending on differing political conjunctures and, above all, on electoral vicissitudes, the parties of the left dropped their radical anti-capitalist symbols. This process, generally referred to as revisionism, accelerated in the late 1950s with the German SPD Bad Godesberg Congress. It continued in all parties, dividing both activists and leaders amidst the indifference of the electorate at large whose remarkable electoral stability is one of the most significant factors of post-war west European history.

The victory of revisionism was almost inevitable. We have just alluded to one of the reasons: the left's electorates were never seriously concerned with the long term aim of abolishing capitalism. They were far more interested in medium-term demands, and in a generic social justice particularly in education and health. Consequently the

revisionists, even when weak inside their parties, had always a fairly strong following among voters. This could not fail to have an impact on those radical activists who wanted their parties to maximise the chance of winning elections. There were, however, other reasons for the victory of revisionism. In almost all instances, socialists could only hope to achieve power by forming a coalition with parties of the centre. Such accords would have been more difficult if socialists had persisted with their anti-capitalist rhetoric and radical schemes of redistribution (which would require high level of taxation). There were, of course, instances where socialists could achieve power only by reaching an understanding with parties to their left - for instance in France in the 1970s between socialists and communists. Here the agreed manifesto was radical, but the French socialists were able to use other symbolic events to signal that they would be the dominant partner and that they would be able to keep the communists under control - which is indeed what has occurred. More generally, revisionists could always mount a successful challenge because they always enjoyed a vital advantage: their conservative opponents (the parties to the right) and the media and power structures which backed them could always be relied upon to stigmatize the radical left as hopelessly out of touch with modern realities. In other words revisionism had the advantage that all centrist positions have: they can play a game on two fronts. As part of the left they can denounce capitalist iniquities; as part of the centre they can distance themselves from radicalism.

This underlines the main ideological achievement of modern socialism and also its failure. The achievement lies in the fact

that free untrammelled market capitalism has never been able to establish itself as the dominant ideology of European politics. It manifestly failed to do so throughout catholic Europe (Spain, Portugal, Italy, Austria and southern Germany) where the leading non-socialist ideologies have always taken a traditionalist form (christian democracy) or a national-popular one (Gaullism) or an authoritarian-populist one (fascism). It also failed to do so in protestant Nordic countries where the agrarian parties actively co-operated in the establishment of social democratic hegemony. Only in Britain - the original home of laissez-faire ideology - did free market conservatism gain a position of relative hegemony during the 1980s. Yet, even there, it did so only almost by stealth thanks to an electoral system which worked to the advantage of the largest party, disarray in the left and centre, and retreat of traditional 'one-nation' conservatism.

The main ideological failure of social democracy is linked to one of the causes of its original success: having correctly identified the state as the principal regulator of the capitalist economy it sought, successfully, to democratize it and use it. As long as the state held that position, social democratic strategy retained its full coherence. But as various aspects of capitalism (especially its financial organization) developed in a global direction, this state-oriented strategy began to falter. Social democrats and the larger communist parties of the West remained wedded to a nationalist conception of politics and reinforced it constantly, ring-fencing their achievements (welfare, education, civil rights) within the territorial boundaries of the state, while capitalism set out to stride the globe.

## Conclusion

To predict whether socialism has a future is a futile exercise which is nevertheless undertaken with astonishing regularity by intelligent and well-informed people. As we have seen, what socialism 'really' is has always been a matter of dispute; as its precise meaning can be endlessly redefined and renegotiated, there is no reason why the term could not be used indefinitely - or at least as long as capitalism exists. The only condition for its survival is the existence of significant political forces ready to associate themselves with it. As long as the term 'socialism' is used to denote any forms of political regulation of capitalism, socialism will live on, frightening some, comforting others, regularly dying and yet reviving, the endless centre of debates and disputations.

Socialism as an anti-capitalist force, aimed at overcoming the present economic arrangements of society and establishing an alternative social order where resources are allocated on the basis of need, has been a dead force in western Europe for decades.

The claims of socialism to be a modernizing force (socialism in its communist guise) able to catch up with capitalist industrial societies has been completely routed over the last twenty years. The collapse of the USSR constituted the most conspicuous evidence of this defeat. Developments in China, where a communist party is striving to establish capitalist relations, further confirms the historical collapse of the idea of communism. At the beginning of the new century, socialism as a distributive force aimed at allocating vital resources, such as health, culture and education, outside of market mechanisms and on the basis of social citizenship, that is, without excluding

anyone, still surviving with no loss of support. Its recent electoral successes may be seen as a conscious or unconscious recognition by a majority of voters of the necessity of some kind of re-negotiation with a new kind of capitalism, more assertive, more confident, more powerful, more global. And a tacit acknowledgment that it may be better to entrust such re-negotiation to political forces that, historically speaking, have always been suspicious if not hostile to the ideology of the untrammelled market. The difficulty facing those who still call themselves socialist is that, while they need capitalism and the economic growth and prosperity which it can generate, capitalism does not need them. Capitalist societies can be organized in an economically sustainable way by offering only minimal protection to some marginal groups (as in the USA) or by devolving welfare activities to organizations of civil society such as large firms, families and social groups (as in Japan). These alternative models, particularly the American one, whose capacity to use each crisis to re-emerge greatly strengthened is striking, have good prospects of a victorious outcome. Socialist leaders and followers are increasingly reluctant to identify themselves with the term socialism - a reflection of the uncontrollable multiplicity of meanings the term has been encumbered with, and of the incapacity of socialists to produce their own dominant meaning. It is as if they had accepted as the 'hegemonic' definition of socialism the one given by its enemies: a definition that disparages socialism for its alleged illiberalism, statism, anti-individualism, and dogmatism; for rewarding inefficiency and mortifying initiative. This loss of hegemony at a time of electoral successes is noticeable. One can lose

elections and live on to fight and win another day. But to abandon control of one's identity, of one's history, of one's tradition may prove to be the final 'coup de grace' for socialism. Names, of course, may not matter if what matters is the substance and if it can be obtained regardless of names. But, even in these flexible times, the continuation of reformist practice may require some healthy scepticism towards capitalism and a proven resistance to its allure. Is it possible to sustain this without the collective identity and radical traditions that socialism provided in the past?

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