

The Duality of Socialism

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Since I have taken up my study of the history of economic thought and its application to present-day political debates, one of the issues that I have constantly had to wrestle with is the supposed multiplicity of definitions for socialism. Most dictionaries offer two definitions of socialism. In my previous writings, I have focused almost exclusively on the first definition: “any of various theories or systems of social organization in which the means of producing and distributing goods is owned collectively or by a centralized government that often plans and controls the economy.”¹ This is a badly written definition, for it in fact originated as one of Karl Marx’s descriptions of communism, not socialism.²

A more incisive criticism is that economists do not define economic systems in terms of culturally loaded words like “owned”. As my Navajo wife can attest, Europeans figured out how to milk the distinction between their understanding of ownership and the Native American understanding, much to the detriment of Natives. Ownership is not a universal concept, so economists define economic systems strictly in terms of who has the power to make decisions about the production and distribution of goods. Even in as capitalist a country as the United States, a landowner does not have the exclusive right to decide how his land will be used. There can be easements and zoning laws, and the government always has the power of eminent domain to seize the land for a ‘public use’. If you understand that “owned” must be defined very broadly, then the first definition is a fairly reasonable translation of what economists mean by socialism. A more precise definition of socialism consistent with the conventions of economists is that an economic system is socialist if societal institutions, like but not necessarily the government, can interfere in decisions about the production and distribution of private goods without restraint.^{3,4} Nevertheless, these definitions are essentially equivalent when properly understood.

¹ *American Heritage Dictionary of the English Language*, (2016), Houghton Mifflin Harcourt Publishing Company.

² Marx had little to say about his vision of mankind’s ultimate destiny in *Capital*, but he did write, “Let us finally imagine, for a change, an association of free men, working with the means of production held in common, and expending their many different forms of labour-power in full self-awareness as one single social labour force.” (Vol. I, p. 171, tr:Ben Fowkes, Penguin Books: London, 1976)..

³ This is a concise distillation of the several chapters long description of socialism provided by Hayek in his *Road to Serfdom*. (Hayek, Friedrich, (2007), *The Road to Serfdom: Text and Documents—The Definitive Edition*, ed: Bruce Caldwell, (University of Chicago Press).)

⁴ A private good is a good that cannot be consumed without limiting the ability of other people to consume the same good, as in a portion of food that can only be eaten by one person, and is difficult to prevent people from consuming. A public good, in contrast, can be consumed without diminishing other people’s consumption, and it is difficult to prevent any such consumption. Public goods like roads and the police can only be provided efficiently by societal institutions, so decisions about what public goods a society will enjoy are not relevant to whether an economic system is socialist.

The second dictionary definition gets less attention from academics because it is explicitly a Marxist definition: “the stage in Marxist-Leninist theory intermediate between capitalism and communism, in which the means of production are collectively owned but a completely classless society has not yet been achieved.”⁵ There are only a handful of Marxists still alive in the world today,⁶ so why would we need to consider their definition?

An epiphany that I have had in recent weeks is the understanding that we do need to give attention to this second definition. There really is not a multiplicity of definitions of socialism in circulation. There is simply a duality. I posit that everyone’s thinking about socialism can be reduced to one or the other of these two definitions.

Implicit in the second definition is a recognition of Marx’s schema of historical determinism. Marx hypothesized that mankind was progressing through a series of economic phases with a natural and inevitable outcome. For most of human history, we were governed by feudalism. Then the Industrial Revolution ushered in a new phase, capitalism, in which the owners of capital maintained their ascendancy by exploiting the working class. Eventually, he fancied, workers will rise up against their masters and share the accumulated means of production collectively. The second dictionary definition refers to the phase in between the current capitalist phase and the final phase of communism, although this terminology was adopted after Marx died. Marx, instead, distinguished between an early stage of communism and a final stage.⁷ In the initial stage, there would be collective ownership but still a division of responsibility: administrators would make decisions about production, and workers would do the producing. The only substantial change from the preceding capitalist phase during this initial stage of communism would be the elimination of the profit motive, though he insisted that changes in how people think would also be necessary to habituate them to the future organization of the economy. Without that habituation, the final stage can never materialize according to Marx.

Much of the intellectual debate amongst present-day Marxists pertains to whether or not the Soviet Union qualifies as an attempt to instantiate the initial stage of communism. From an objective standpoint, it would appear that Lenin followed Marx’s inchoate blueprint for the initial stage as best as he could. On the other hand, Marxists will typically argue that the Soviet Union did not deliver on any of Marx’s promises so how could it have embodied Marx’s vision?

A related and more popular question is whether Marx would have categorized fascists and Nazis as socialists. Which of the two dictionary definitions would Marx have favored? This is entirely open to debate since Marx never defined socialism, communism, or even capital and

⁵ *American Heritage Dictionary of the English Language*, (2016), Houghton Mifflin Harcourt Publishing Company.

⁶ My student Tong Jin has pointed out that I forgot about China when I wrote this. While there are only a handful of Marxists still alive in the West today, the second definition is certainly the accepted definition in China (6/11/2019).

⁷ “Critique of the Gotha Program”, (1970 [1875]), *Marx/Engels Selected Works*, Vol. Three (Progress Publishers, Moscow), pp. 13-30.

capitalism. However, he did refer to “feudal socialism”, “petty-bourgeois socialism”, and “utopian socialism” in the *Communist Manifesto*.⁸ Indeed, he even used the word “socialize” to describe the organization of labor under capitalism in *Capital*.⁹ If we employ its first dictionary definition, socialism has been the predominant form of economic organization throughout human history. Indeed, until Adam Smith published the *Wealth of Nations* in 1776, mankind really had no inkling that other forms of economic organization could even be desirable. As I read Marx, he agreed with this understanding. In his view, mankind has always been under some form of socialism since “men have worked their way out of their initial animal condition, when therefore their labour has been to some extent socialized.”¹⁰ If Marx observed the first definition of socialism, then there really can be no argument that Nazis and fascists were also socialists. Their economic systems involved at least as much societal control over private goods as the earlier systems that Marx explicitly identified as socialist.¹¹

But there is another interpretation of Marx’s writings that is consistent with a narrower categorization of what constitutes socialism. If we take the historical determinism aspect of Marx’s philosophy more seriously, then there is a common thread to all of the different kinds of socialism that Marx refers to as such that does not link them to fascism and Nazism. Marx believed that feudal socialism gave rise to capitalist, or bourgeois, socialism, which would give rise to early communism, which would give rise to later communism. If the premise of historical determinism is accepted, then only economic systems on a path toward the final stage of communism are worthy of the label socialism.

We can see the debate about this premise in the feud between Marx and another German socialist, Ferdinand Lassalle, the man responsible for coining the phrase “national socialism”. When Marx wrote his “Critique of the Gotha Program”, he was trying to convince the Social Democratic Workers’ Party, which still exists today in Germany as the Social Democrats, that Lassalle had had a corrupting influence on their platform. Unconvinced of the veracity of Marx’s historical determinism, Lassalle was blasé about semantical nuances that Marx obsessed over because they were supposedly necessary to prepare mankind for the final stage of communism. Lassalle wanted only to improve the lot of workers, and he was willing to make practical compromises to accomplish that, even going so far as to meet with Chancellor Bismarck to discuss how they could help each other in achieving their mutual aims. He would no doubt have been horrified by just how nationalistic his intellectual descendants became, but Lassalle professed the same economic precepts as Hitler and Mussolini, if not their amorality.

This belief in historical determinism also comes in another form that is more relevant to our current political strife. That is the slippery slope which so many on the right fear.

⁸ Marx, Karl and Friedrich Engels, (1969 [1848]), *Marx/Engels Selected Works*, Vol. One, Tr. Samuel Moore, (Progress Publishers, Moscow), pp. 98-137.

⁹ Marx, Karl, (1976), *Capital*, Vol. I, tr:Ben Fowkes, Penguin Books: London, pp. 928-929.

¹⁰ *ibid.*, p. 647.

¹¹ There can be no greater degree of societal control than putting people in labor camps.

Republicans who rant about the evils of socialism, while blind to their own socialism, are not concerned about the present so much as they are about a particular future. They actually believe Marx might have been right at least in part. When Trump demonizes socialism, he is only referring to those forms that might someday compel him to forfeit however many billions or, more likely, millions he owns, not to illiberal policies that would make him richer.

Thus, the two dictionary definitions both have wide constituencies, bizarre as this might seem thirty years after the fall of the Berlin Wall. We can typify as the *scientific* definition the first definition that is exclusively concerned with whether an economic system is socialist according to what Marx called vulgar economics. For this definition, all that matters is how much influence societal institutions have over economic decisions in the present, irrespective of how those institutions might evolve in the future. In contrast, the second definition, what we will typify as the *metaphysical* definition,¹² depends on the notion that there is an inescapable path to communism once you start down a certain road. I call this a metaphysical definition because there is no scientific evidence to support Marx's hypothesis of historical determinism. Marx had zero understanding of how evolution works. Indeed, the theory of natural selection derives from his archrival Adam Smith's theory of human demographics.¹³ This definition is metaphysical because it assumes a philosophical proposition that cannot be derived from scientific principles.

Seen in this light, the current debate about socialism amongst Republicans and Democrats is really a debate about semantics, not substance. The antiscience Republican Party favors the metaphysical definition¹⁴ whereas Democrats, including Bernie Sanders, are more inclined to employ the scientific definition. Sanders and his protégé Alexandria Ocasio-Cortez have no desire to see the elimination of private property. Nor do they believe their proposals will culminate in that result. They just want what they perceive to be a more compassionate allocation of consumption than what the market provides. Of course, from the perspective of a liberal economist, the scientific definition of socialism nests the metaphysical definition, and any economic system that falls under the scientific definition will be dysfunctional and inefficient. Whatever they call themselves, socialists on the right and on the left both would subvert individual freedom for merely a prognosis of greater security.

¹² Or less charitably, the theological definition. (With a week's hindsight, I think it is less biased to refer to the two definitions as the objective and subjective definitions. The scientific definition is based entirely on objectively defined concepts while the metaphysical definition depends on the individual's personal prior about what might or might not lead to communism. (6/11/2019))

¹³ Smith, Adam, (2004), *The Wealth of Nations*, ed: C. J. Bullock, (Barnes and Noble Press: New York) Ch. 8.

¹⁴ This is actually a fairly recent development. Back in the 1980s, Hayek was a darling of Republicans, but would-be Republicans who still favor Hayek's broader, scientific definition of socialism have mostly been drummed out of the party.