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THE CULTURAL CONTRADICTIONS OF SOCIALISM

By Chandran Kukathas

> Render possessions ever so equal, men's different degrees of art, care, and industry will immediately break that equality. Or if you check these virtues, you reduce society to the most extreme indigence; and instead of preventing want and beggary in a few, render it unavoidable to the whole community. The most rigorous inquisition too is requisite to watch every inequality on its first appearance; and the most severe jurisdiction, to punish and redress it. But besides, that so much authority must soon degenerate into tyranny, and be exerted with such great partialities; who can possibly be possessed of it, in such a situation as is here supposed?
>
> —David Hume[1]

I. Socialism's Destiny

While no one has yet announced the death of capitalism, reports of its imminent demise have been as numerous as they have been exaggerated. Such reports have usually been bolstered by thoughtful analyses of the fundamental contradictions of capitalism, which was expected to come sliding—if not crashing—down under the weight of its own inconsistencies. Leaving aside Karl Marx's own predictions, twentieth-century analysts as diverse as Joseph Schumpeter, Daniel Bell, and Jurgen Habermas have asserted that the contradictions of capitalism could only mean that its days were numbered.[2] Alas, all that has been established by these analyses is that predictive failure is no impediment to market success: either the consumer's demand for such theories of capitalism's failures is naturally robust, or supply continues to generate its own demand.

More recently, however, socialist writers have been forced by certain events to turn their attention to the reasons for the failure of socialism. Nowhere has anything remotely resembling the socialist model of a good society appeared. And the societies that undertook serious attempts to build socialism produced only tyranny and human misery. The more vigorous the attempt, the more vicious the tyranny, and the more com-

[1] David Hume, *An Enquiry Concerning the Principles of Morals*, in Hume, *Enquiries Concerning Human Understanding and Concerning the Principles of Morals*, ed. L. A. Selby-Bigge, rev. P. H. Nidditch, 3d ed. (Oxford: Clarendon Press, 1975), 194.

[2] See Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Yale University Press, 1942); Daniel Bell, *The Cultural Contradictions of Capitalism* (London: Heineman, 1976); and Jurgen Habermas, *Legitimation Crisis* (London: Heineman, 1979).

plete the misery. The revolutions of 1989 suggested to many that the populations of the former socialist states decisively rejected socialism. For many socialists, however, the social experiments that were the Soviet Union, Cambodia, East Germany, Bulgaria, Poland, Romania, Czechoslovakia, Vietnam, and Yugoslavia (like the continuing ones in Cuba, North Korea, and, to a lesser degree, China) were not experiments in genuine socialism, since genuine socialist transformation was prevented by state tyranny. For others, like John Roemer, the problem lies, in part, in socialism's lack of a sound economic theory.[3] And yet others have continued to wonder whether some modified version of socialism, stripped of its nineteenth-century naivete about economic planning and cleansed of its twentieth-century totalitarian associations, might not have a better shot of supplanting capitalism not only in practice, but also in the mind of the public.

The thesis of this essay is that the achievement of socialism is unlikely because the reasons for its failure stem not from such contingent factors, but have their roots in the aspirations of socialism itself. Socialism is by its very nature doomed to failure. This is not to say that socialists are doomed to political failure, for socialist political leaders and parties will undoubtedly come to power from time to time. It is simply to say that the doctrine by which socialists are guided is destined never to be fulfilled. Economically, it cannot succeed for reasons that critics like F. A. Hayek and Ludwig von Mises advanced.[4] The deeper problem, however, is not economic but political.

Socialism, in the end, lacks not only a plausible economic theory, but also a coherent political one. Indeed, in most of the variants articulated by socialist theoreticians, from Marx to the present, it lacks a political theory altogether. Socialist thinkers have usually presented social transformation

[3] See John Roemer, *Analytical Foundations of Marxian Economic Theory* (Cambridge: Cambridge University Press, 1989).

[4] Ludwig von Mises had argued as early as 1920 that socialism was technically impossible because, in the absence of prices set by competitive markets, producers would be unable to make even simple decisions about what to make, or to decide which inputs to choose in the production process. The absence of prices would make it impossible to tell which materials were scarcer or more valuable. See Ludwig von Mises, *Socialism: An Economic and Sociological Analysis*, trans. J. Kahane (Indianapolis, IN: Liberty Fund, 1981). This argument was also put forward by F. A. Hayek in the 1930s in his critique of socialism's leading theoreticians, such as Oskar Lange and H. D. Dickinson. Hayek suggested that, under socialism, the absence of prices would make comparative cost calculation impossible: the centralization of production decisions would lead to the discoordination between the demand and supply of goods. The result would be inefficiency, chronic shortages of some goods and the oversupply of others, and, ultimately, material poverty. Indeed, Hayek thought that this problem would remain even under modified variants of socialism such as "market socialism." See F. A. Hayek, ed., *Collectivist Economic Planning: Critical Studies in the Possibilities of Socialism* (London: Routledge and Kegan Paul, 1935). See also Hayek's essays on socialist calculation in F. A. Hayek, *Individualism and Economic Order* (Chicago: Midway, 1980). For a modern discussion of the socialist calculation debate, see Don Lavoie, *Rivalry and Central Planning: The Socialist Calculation Debate Reconsidered* (Cambridge: Cambridge University Press, 1985). For recent debate among socialists on these issues, see Bertell Ollman, ed., *Market Socialism: The Debate Among Socialists* (New York: Routledge, 1998).

as the solution to social ills, since the source of those ills has been held to be the social and economic order in which private interests and market relations are dominant. Once market relations are transformed, they have assumed, the way would be open for rule by the collective in the interest of the whole. In these circumstances, there is little need to say anything about how political institutions under socialism would check and control the exercise of power. The problem of the abuse of power no longer needs to be considered. It is liberal political theory that has focused on the problem of controlling the abuse of power, since it assumes that there will always be a danger of such abuse—for in any society there will always be particular interests trying to gain advantages for themselves. Tyranny is always possible. But socialism assumes—or hopes—that such problems will not arise, and so does not assume the need for a political theory. Indeed, were it to borrow from a theory of politics (such as the liberal theory) that might help it address the problem of tyranny, it would undermine altogether the assumptions underpinning its economic ambitions. Yet in avoiding such borrowing, socialism has also avoided addressing the problem of how there can be a socialist order that is not simply a dictatorship by a socialist political elite. This is true of the socialisms described by almost every socialist thinker, even though all of them envisage the good socialist order not as a dictatorship, but as a society marked by collective self-rule for the good of the whole.

The argument of this essay is that socialists are destined to be disappointed, for what they want simply cannot be achieved under any form of socialism. To defend this contention, this essay is divided into a number of sections. Section II begins by considering what socialism is, taking note of its variety of forms, but looking to establish what is crucially important to the socialist ideal in general. Section III then turns to the economic critique of socialism, briefly recounting the reasons for its failure as an economic system. Section IV, however, goes on to argue that it is not the economics of socialism that is the problem, but the politics, explaining why at the heart of socialist theory there is no understanding of either human nature or humanity's political predicament and, subsequently, no theory for dealing with that predicament. Section V then moves on to consider some modern attempts to rethink socialism, and argues that these are unlikely to be successful. This essay concludes with some general reflections on the demise of socialism and what it means not only for the socialist ideal, but also for other political utopias.

II. What Is Socialism?

The difficulty of defining, or identifying with reasonable precision, a term as protean as 'socialism' cannot go unremarked in any effort to establish a working definition. It is a term which has been used to de-

scribe economic systems, political regimes, and social movements, as well as a kind of ethical ideal. It is quite correct to say that it is a system of economic organization in which private property and the distribution of income are subject to collective social control, rather than determined by the efforts of individuals pursuing their own interests. What exactly 'collective control' means, though, is a matter for debate. It is quite correct to say that socialism is the negation of capitalism, since that is how socialists have commonly defined their creed for nearly two centuries. But what, exactly, capitalism amounts to is no less contentious than is the definition of its antithesis. It is also correct to note, however, that socialism, as a philosophical doctrine that values community, rejects above all the individualism it sees at the heart of liberal political thinking. Yet what exactly it is about individualism that socialism repudiates is a matter that has forced socialists into endless debate.[5]

The problem of defining socialism does not get any easier with the proliferation of kinds of socialism. Before Karl Marx, numerous varieties of socialism proliferated in the writings of such thinkers as Claude-Henri de Rouvroy Saint-Simon, Charles Fourier, Robert Owen, and Pierre-Joseph Proudhon. Even Marxian socialism comes in a number of kinds; it was joined by guild socialism and Christian socialism in the nineteenth century, and various forms of noncommunist socialism in the Western European countries of the twentieth century. Fabian socialism appeared in Britain in 1884, while English ethical socialism emerged after World War II. And, of course, the socialism of the centrally planned command economy was attempted in the Soviet Union and its satellites. Since the demise of Soviet socialism, both as a theory and as a regime, various theories of market socialism have gained a greater prominence in the literature of political theory and political economy. How can a definition of socialism be found that might make sense of this variety? Indeed, one has to wonder whether it makes sense even to talk about 'socialism' as such, since concepts with long histories often have vastly different meanings in different eras.

There is a further reason why defining socialism is a matter that should be approached with some caution, particularly in any kind of critical endeavor. A term that could encompass a great range of theories, but describes each only imperfectly, threatens to do violence to the arguments and theories of individual socialist thinkers. It is all too easy, and common, for critics to lump their opponents into a general category and then to dismiss them by attacking the category, even if many of those thinkers have themselves recognized the difficulties in their general theoretical orientations and have sought to modify their own theoretical variants. If

[5] For a general history of socialism that discusses its various attitudes toward individualism, see George Lichtheim, *A Short History of Socialism* (London: Weidenfeld and Nicholson, 1970).

the purpose of finding a definition of socialism is to criticize socialism, it is important that such a definition capture what is central, and necessary, to it rather than only those features which are expendable.

It is important, in the end, to establish what lies at the core of the socialist idea because socialists continue to line up behind its banner and to defend their offerings in its terms. And if a general critique is to be offered of this brand of politics, a general definition of some kind has to be found. A helpful place to start might be G. A. Cohen's reflections on the nature of the ideal that socialists like himself hoped to see realized by the Soviet Union. This ideal was a society that included,

> instead of the class exploitation of capitalism, economic equality; instead of the illusory democracy of class-based bourgeois politics, a real and complete democracy; instead of the alienation from one another of economic agents driven by greed and fear, an economy characterized by willing mutual service.[6]

What socialism wishes to supplant is an economic system, and a form of social organization more generally, in which economic relations allow the strong to dominate the weak, in which the political relations allow the economically powerful few to control the people as a whole, and in which human relations are such that people cooperate for mutual gain out of self-interest rather than out of fellow-feeling. Such a system could not be eradicated unless it were replaced by one in which the shape of society was the product not of the blind play of individual choices but of the conscious and deliberate direction of the society as a whole.

What socialism seeks, above all, even if not exclusively, is a kind of unity. A socialist society is not a divided society—divided by the boundaries that distinguish people into classes, separating rich from poor, and see some individuals rule over others. A socialist society is one in which society's interests are attended to by society collectively. According to socialism, this requires a society in which economic production is controlled not by private individuals, but by society as a whole. This means social rather than private ownership of the economy. In such a society, there is no division between labor and capital. Socialism is a system characterized by social or collective ownership or control of the productive property of society. Its most powerful advocate was Karl Marx, and its antithesis from the beginning was the "system of natural liberty" advocated by Adam Smith in his defense of commercial society. Its philosophical advocates today are numerous, and their nemeses in the late twentieth century are proponents of libertarian theories, such as F. A. Hayek and Robert Nozick.

[6] G. A. Cohen, *Self-Ownership, Freedom, and Equality* (Cambridge: Cambridge University Press, 1995), 253.

III. The Economic Critique of Socialism

Socialists today, to the extent that they have been chastened not only by the collapse of Soviet power and the fall of Communist regimes, but also by the obvious poverty of socialist societies, have conceded that much of socialist economic theory is unsustainable. In particular, many have accepted that the arguments advanced by economists of the Austrian school, explaining why socialism could not succeed, were fundamentally sound.

The most powerful arguments challenging the feasibility of socialism, as noted above, came from economists of the Austrian school, such as F. A. Hayek and Ludwig von Mises. It is worth observing that many socialists have conceded that these arguments were decisive against particular aspects of the socialist idea. Adam Przeworski, for example, is one socialist writer who concedes that the model of "command" socialism developed in the Soviet Union was unable to withstand the Austrian critique, which was decisive in demonstrating that socialist central planning was an implausible ideal. First, even if the planner had genuine information, the sheer complexity of the problem would make rational allocation of productive resources and distribution of output among households impossible to handle. Second, if individuals are at all self-interested, the planner cannot find out the true needs of households and the true capacities of firms without the use of markets. Third, there is no reason to think that planners in any case have any incentive to promote the general welfare, and there are no monitoring mechanisms in the social plan that would serve such a purpose. Finally, the entire enterprise rested not only on the planners solving the calculational problem, but also on economic agents, which include households, firms, and planners, as co-owners of society's wealth, cooperating to support collective welfare. But, as Przeworski observes, "none of these assumptions has worked under really existing socialism."[7] This was made quite clear by Hayek and Mises, and was amply confirmed by experience.

Similarly, Cohen has admitted that two of the four major socialist objections to the market—that it was inefficient and that it was anarchic—were simply misplaced. The traditional socialist view that the market was unplanned failed to understand how well the unplanned market organized information, and how difficult it was for a central planner to acquire the information about preferences and production possibilities dispersed throughout the market. Cohen states: "Even if the planner's computer could do wonders with that information, there would remain the problem that there are systematic obstacles to gathering it: to that extent, Von Mises and Hayek were right."[8]

[7] Adam Przeworski, "Socialism and Social Democracy," in Joel Krieger, ed., *The Oxford Companion to the Politics of the World*, 2d ed. (Oxford: Oxford University Press, 2001), 777.

[8] Cohen, *Self-Ownership, Freedom, and Equality*, 260.

And indeed, in the world of twentieth-century practice, socialist economies failed to achieve the levels of wealth attained not only by the capitalist West, but even by many developing nations. Living standards in the Soviet Union, Poland, and Czechoslovakia in the 1980s could barely match those of Malaysia, let alone Singapore. For all of Nikita Krushchev's promises in the late 1950s and early 1960s that the U.S.S.R. was about to overtake the United States, history saw the Soviet economy in the 1970s and 1980s fall deeper and deeper into crisis, struggling to feed, clothe, and house its own population. Socialist economics generated not greater wealth but greater poverty.

Yet even as its critics argued that socialism would not deliver economic prosperity, and practical experience in socialist states demonstrated this for all to see, for much of the twentieth century, socialism's theoretical defenders had the better of the argument—if success is measured by intellectual popularity. Socialist economic theory was taken seriously in Western academies, and economists like Oskar Lange and H. D. Dickinson were widely held to have had the better of the debate with Hayek and Mises in the 1930s over the problem of economic calculation under socialism. And even in the latter part of the twentieth century, those who conceded that the Austrian critique of socialist economics was persuasive argued that a modified variant of socialism—like "market socialism"—would prove successful. A part of the problem, however, was that the empirical evidence was not favorable. Not only had the model of socialist central planning been found wanting in a stagnating Soviet Union, but even in Yugoslavia, where a form of market socialism had been tried, the results were not encouraging. If socialism was an economic system in which the right to accumulate capital was limited and the market for labor was restricted or nonexistent, socialism simply could not produce the goods. To some extent, this was recognized by some socialists many years ago when they conceded that markets and private property had an important part to play in any good society.[9]

Yet even if this is the case, some writers maintain that defenders of capitalism need to be more cognizant of the fact that the market, or capitalism, has important defects. These defects are moral defects, for markets corrode morality. Two kinds of challenges need to be noted here: the first points to empirical evidence of the market's inadequacy, and the second points out theoretical reasons for why markets do not sustain morally acceptable societies.

The empirical point is made quite clearly by Canadian political philosopher Ronald Beiner, who concedes that socialism may be less productive than capitalism, but openly asks whether the inefficiency of socialism may not in fact be an asset: "It is hardly ever considered that it may in fact

[9] One of the earliest to do so was British socialist theorist, C. A. R. Crosland, notably in C. A. R. Crosland, *The Future of Socialism* (London: Jonathan Cape, 1956).

constitute a political *advantage* of socialism that such economies operate less efficiently and thus offer fewer goods to be distributed."[10] Beiner wants not only to suggest that there are things that are more important than productivity, consumption, or economic growth, but also to point out serious defects in capitalist societies that are not weighed in the balance when they are compared with socialist ones. For example, he cites low crime and unemployment rates in the Soviet Union as underrated measures of socialism's own achievements. On the converse side, he adds, "it is scarcely less stunning that pervasive drug taking, rampant sexual exploitation, the addiction to consumerist 'lifestyles', and the ubiquity of the credit card in Western societies are not commonly taken as key indicators of political debility relative to other societies."[11] Not surprisingly, Beiner is sympathetic to Aleksandr Solzhenitsyn's critique of Western freedom as the source also of Western debauchery: the West's wealth is spent on sex and drugs, rather than on finer pursuits.

Beiner's arguments about crime and unemployment being virtually absent under Soviet socialism are not persuasive. As the Soviet Union began to stagnate under the Brezhnev administration, full employment continued to exist only in name as people were kept shuffling goods and paper in uneconomic enterprises (which produced less than they consumed) or in pointless public-service positions—all for pitiful wages. ("They pretend to pay us, and we pretend to work.") The poverty of Soviet citizens was simply the inescapable consequence of a backward economy in which most of the factories and production plants were found to be worthless by the Western companies that acquired them in the 1990s. As to the absence of crime, it is simply wrong to suggest that it was negligible. Pilfering of communal property was rife—unsurprisingly, given the poverty endured by most Soviet citizens. And statistics revealing these, as well as more serious, crimes were simply suppressed by a regime unwilling and unable to address the problem. It is also worth noting that the penalty for criminal conviction was frequently exile into smaller centers, remote from the large cities, so that, unusually, smaller towns had higher crime rates than did big cities in the Soviet Union.[12] Claims about socialism's success in the Soviet Union have always been greatly exaggerated.[13]

[10] Ronald Beiner, *What's the Matter with Liberalism?* (Berkeley: University of California Press, 1992), 152. (Beiner's book was first published in 1992, and is written in full awareness of the demise of communism initiated by the revolutions of 1989.)

[11] Ibid., 153.

[12] In one way, however, the low crime rate in the Soviet Union is beside the point: it was also low in the World War II death camps at Dachau and Belsen, but this is hardly worth putting into the equation.

[13] For an analysis of poverty under Soviet Communism, see Mervyn Matthews, *Poverty in the Soviet Union* (Cambridge: Cambridge University Press, 1986). For more general assessments of the weaknesses of the Soviet socialist system, see Janos Kornai, *The Socialist System: The Political Economy of Communism* (Princeton: Princeton University Press, 1992); and Timothy J. Colton, *The Dilemma of Reform in the Soviet Union* (New York: Council on Foreign Relations, 1986), esp. 32–67.

But Beiner has a point, nonetheless. Wealth does bring with it more debauchery and excess. The only purpose of production is consumption; the more that is produced, the more that will be consumed. And this will mean that even as more fine wine is produced, so will more cheap liquor be drunk; as more music is written and played, so will more vulgar noise be marketed and listened to by more and more people; and as more fine philosophical papers are produced, defending (or asking what's the matter with) liberalism, so will more cheap magazines appear detailing the exploits of the Duchess of York. Drugs and pornography are the product of economic and political freedom, at least insofar as they cannot be produced if people are not allowed, or cannot afford, to have them—though it would be implausible to suggest that such things are not to be found in unfree societies at all. But if poverty is the solution, many think that the cure is worse than the disease.[14] In the end, market freedom brings bad along with the good: the vulgar accompany the refined, the ugly the beautiful, the shallow the profound, and the grotesque the blessed. Those who think that one can be had without the other are mistaken.

There is, however, a deeper objection that socialists raise against capitalism. The problem with market societies is that they not only condone the pursuit of baubles and trinkets that have no real worth, but they also work to undermine the very values upon which markets rely. Markets depend upon the existence of moral standards, for unless people are prepared to keep promises and honor contracts, production and exchange would not be possible. But markets, by encouraging selfish consumption, teach people to become competitively self-regarding rather than cooperatively moral. Capitalism, it is sometimes said, consumes its own moral capital.

This claim, however, is not so readily defensible. It is a variant of the argument Rousseau presents in his *Discourse on the Origin of Inequality*,[15] which offers a conjectural history that explores human nature, as well as its transformation with the emergence of market society. As individuals become socialized, they learn to compare themselves with one another and to crave the good opinions of their fellows—learning, in the end, to become vain and deceitful (a talent for deceit being among the qualities most necessary for advancement).[16] Is this not what happens in market societies, as people discover that the best way to get ahead is to appear what they are not, and, even better, to take advantage of their fellows? In fact, as Adam Smith argued in his *Theory of Moral Sentiments*, the

[14] Some, of course, think that the disease is not that bad; but that is another matter.

[15] Jean-Jacques Rousseau, *Discourse on the Origins of Inequality*, in Rousseau, *The Social Contract and Discourses*, trans. G. D. H. Cole, rev. J. H. Brumfitt, John C. Hall, and P. D. Jimack (London: Everyman, 1993), 31–126.

[16] Rousseau, however, did not suggest that commercial society was the *cause* of this transformation. Nor, in the end, did he think that abandoning commercial society was a plausible solution.

reverse is more likely true. Morality develops not under the direction of an authority—under the guidance of the "man of system"—but spontaneously—under the guidance of an "invisible hand."[17] What makes people moral is precisely what Rousseau thought made people vain: the craving for the good opinion of others. Indeed, Smith argued, so much did people internalize the longing for approval that they came to desire not mere approval, but *worthiness* of approval.

In capitalist societies, so much turns on approval by others—one's fellows generally, rather than merely those in authority—that the best strategy to adopt is to become worthy. Of course, one might do even better if one were duplicitous while most others were honest. But at the same time, when so much turns on people's reputations, everyone also has an incentive to invest resources in checking on people's reputations. So the costs of dishonesty can be high. This argument is not, of course, to suggest that there is no dishonesty or immorality in market societies. Quite the contrary. The point is that, just as there are features of market society that undermine moral conduct, so are there features of it that also generate moral behavior. Maybe capitalism will eventually run out of moral capital; but it probably will not any time soon.

In the end, however, no account of the failings of capitalism has been enough to demonstrate that socialism is not beset by insuperable economic problems. Many socialists have thus conceded that some rapprochement is needed between socialism and the market. For some, this means revising socialism, or asking *which* socialism is feasible and worthy of pursuit.[18] The question is, can a reworked or improved model of socialism serve as an ideal that is both attractive and feasible?

IV. The Politics of Socialism

Even if the theoretical problems of socialist economics could be overcome, the future does not look bright for socialism. Socialists desire not merely prosperity (albeit, a prosperity in which wealth is distributed more equitably than it has been in the past), but a classless society characterized by "real" democracy and "willing mutual service." It is no part of the socialist ideal that the good society be one in which the poor are dominated by the rich, or the weak are dominated by the strong—or in which the right dominate the wrong. Socialism envisages a society in which people cooperate willingly to produce and sustain a world that is both equitable and prosperous. A dictatorship, even of the wise and the good, has to be anathema to socialism—despite the fact that socialists have too often in the past declared the need for a temporary dictatorship

[17] Adam Smith, *Theory of Moral Sentiments* (Indianapolis, IN: Liberty Fund, 1982).

[18] Norberto Bobbio, *Which Socialism? Marxism, Socialism, and Democracy*, trans. Roger Griffin, ed. Richard Bellamy (Oxford: Polity Press, 1987), esp. chap. 5.

to usher in a new order. But this is where socialism's problems begin. For if socialism repudiates dictatorship, what kind of politics can it endorse and aspire to, if socialist ideals are to be both attained and sustained? Is there a politics that will produce and maintain socialism?

On this pressing problem, socialism has had surprisingly little to say. Perhaps, though, this will be found to have been not so surprising after all when the argument of this essay is concluded. Socialist thinkers have been quick to point out the shortcomings of political societies under capitalism; and their analyses of the workings of the state, and the ways in which they serve particular interests rather than the common good, have often been acute and insightful.[19] But they have had little to say about the political process by which a socialist society might come into being, and virtually nothing to say about the politics of the way a socialist society would work. Socialists have had even less to say about how such a society would deal with the problem of political power.

Yet why does this matter? The reason it matters is that, if socialism rejects dictatorship, it faces a fundamental problem: a pluralist politics threatens to undermine the entire socialist project. A pluralist political order is one that is pluralist in two respects. First, it is pluralist because political rule involves decision-making that is the outcome of interaction (and very likely contestation) among a variety of political groups with distinct (even if overlapping) interests. Second, it is pluralist because these groups, with their distinct interests, are to some degree independent, and capable of marshalling their own resources to assert, argue for, and defend their interests in the political arena. Both dimensions of pluralism are important, if a political society is indeed to be regarded as pluralist. If there is no economic pluralism because all groups are wholly dependent upon the ruling individual or group for access to resources, there can be no political pluralism other than in name, for dependent groups would be powerless even to assert, much less defend, their interests. If, however, there is economic pluralism but no mechanism by which independent groups can make a difference to political outcomes, the polity would not be a pluralist one. Either independent groups would be forced to conform—in which case, pluralism vanishes—or they would be allowed to go their separate ways—in which case, they would not be part of any political whole that might be regarded as pluralist. If socialism rejects dictatorship, it must embrace a politics that is to some degree pluralist. The question then becomes: Why would a pluralist politics produce or sustain socialism?

[19] A notable example is to be found in Marx's critique of Hegel's theory of the state, and, in particular, Hegel's account of the bureaucracy as attending to the interests of the universal class. See G. W. F. Hegel, *The Philosophy of Right*, trans. T. M. Knox (Oxford: Oxford University Press, 1978). For Marx's critique, see the early essays: Karl Marx, "On the Jewish Question," in David McLellan, ed., *Karl Marx: Selected Writings* (Oxford: Oxford University Press, 1977), 39–62; and Karl Marx, "Towards a Critique of Hegel's *Philosophy of Right*: An Introduction," in McLellan, ed., *Karl Marx: Selected Writings*, 63–74.

A part of the problem for socialists here is that there is a fundamental reason to expect a pluralist politics to repudiate socialism. Socialism rejects, and tries to suppress, economic pluralism. Socialism is hostile to economic pluralism because economic power wielded by particular interests rather than by the collective as a whole will serve only those interests, and at the same time will threaten to promote a distribution of goods that favors some over others. Capitalism is the pluralistic economic system par excellence. In it, the smallest group, or even a single individual, can amass substantial resources and, thus, considerable economic power. Capitalism is that economic system which is least subject to collective control. And it is the economic system of which socialists are most critical—even if, to be sure, few socialists would prefer to return to precapitalist modes of production. Given that socialism is antipathetic toward economic pluralism, there is every reason for those individuals and groups not politically or ideologically committed to socialism to reject anything that proposes to deprive them of their resources and diminish their independence. Socialism, whether or not it serves the general interest, is not in the interest of particular interests.

Under a pluralist politics, then, socialism is unlikely to win general support, even if socialist parties may be elected to office in a pluralist democracy. (Electoral victory need reflect nothing more than popular disaffection with other candidates and the victor's capacity to make the best use of the electoral system.) Historically, socialism has found little support anywhere, and has never had majority support for any significant length of time. (Social democratic parties, such as the British Labour Party, have been successful largely to the extent that they have downplayed their socialist ideals.) Socialist parties have more commonly come to power by force. They have from time to time won electoral victories—as, for example, did Salvador Allende's Frente de Accion Popular in 1970, in a coalition that secured 36 percent of the popular vote in Chile after promising to carry out a democratic transition to socialism.[20] But attempts to overthrow or transform capitalism have not met with general support. Certainly, Allende's efforts to move toward socialism, even though his government left large parts of the economy in private hands, produced vigorous opposition from those who stood to lose—as well as from political actors opposed, in principle, to such changes.

The point of all this is that socialist politics faces a major problem that it has never properly confronted. If socialism repudiates dictatorship, and embraces a pluralist politics in which private interests retain the right and the capacity to act independently to defend those interests, then socialism

[20] Allende's coalition government, known as the Unidad Popular (UP), secured 44 percent of the vote in popular elections in 1973, though this group included a greater range of parties, including Radicals, Social Democrats, and some disaffected members of the Christian Democrats, as well as the Socialists.

will never get off the ground. For socialism is, in principle, opposed to a political system in which private interests hold sway. If socialism curbs those private interests, however, and subordinates them to the ruling group (albeit, one ruling in the name of the collective), then a pluralist politics will no longer exist, except possibly in name.

In one sense, however, this problem would remain, even if a majority of people did support socialism. For unless support were more or less unanimous, socialism would in effect end up suppressing those particular interests that repudiate socialism. Under socialism, they would not have the capacity to use their resources to pursue their separate interests, since the proper use of those resources would be collectively determined.

The problem, in the end, is that people have different desires, different interests, and, maybe most importantly, different ideas about what is good and bad, right and wrong. If so, a significant plurality of any society is going to resist moves to subordinate their interests to the interests of others (even if they are told that this is in the interest of the whole), and to subordinate their ideas of what is right to the ideas of others.

It is perhaps this problem that has led so many socialists to conclude that socialism requires a transformation of human consciousness before there can be a transformation into a truly socialist society. For some socialists, this required a temporary dictatorship of the proletariat, even if others may have been willing to wait more patiently for a popular convergence on socialist attitudes. But the assumption that human consciousness will be transformed or that there will be a general convergence on socialist attitudes (so much so that people will cease to pursue their particular interests, or stop insisting on different views of what is right) is surely implausible. Yet if we grant that we should assume that people will differ, and that society will be marked by a plurality of interests and moral attitudes (and, thus, by a plurality of groups), it does not look like socialism is going to have much of a future.

Socialism's theoreticians have generally failed to deal with this issue. In the end, there simply is no political theory of socialism, even though there are socialist critiques of both capitalism and the liberal state.

V. Retrieving Socialism

Now to say that there is no political theory of socialism is to make a large claim, and if it is correct it would suggest that the socialist ideal is in a parlous state. Yet it would be wrong to say that no socialists are aware of this lacuna in socialist theory, or that no one has tried to remedy the deficiency. David Miller, for example, pointed out in 1989 that "[t]he socialist tradition has never developed an adequate theory of politics, in the sense of an account of what the nature, scope, and purpose of political

activity should be."[21] The influence of nineteenth-century positivism in this regard, Miller argues, probably exercised a malign influence on socialist thinkers, from Marx to the Fabians, who tended to hold to an ideal of social organization that was essentially nonpolitical: "Once conflicting class interests had been eliminated with the abolition of classes, the only remaining question was how best to advance shared interests of all the members of society. This was a technical, rather than a political, question."[22] And Miller, for one, has made a significant attempt to remedy this deficiency in socialist theory. Nonetheless, the results have not been promising for socialism, and it is worth considering why by examining more closely Miller's efforts to fill the gap.

According to Miller, we need to distinguish two conceptions of politics: politics as "interest-aggregation" and politics as "dialogue." The first, he says, is associated with the liberal outlook, while the latter is appropriate to socialists. The first conceives politics as a process of bargaining among competing interests, and its outcome is a compromise that commands the support of at least a bare majority.[23] Politics as dialogue, however, conceives of the political process as one characterized not by bargaining, but by attempts at persuasion, and as one in which the outcome is not compromise but consensus.[24] The interest-aggregation model of politics, according to Miller, has three flaws. First, it favors those who are powerful. Second, it does not distinguish between interests that are sound and those that are defective or even irrational, since reasons do not play any part in the process of reaching a decision. Third, since there is no rational method of aggregating preferences, the outcomes of interest-aggregation are in the end simply arbitrary.[25] The dialogue model of politics, Miller argues, promises to do much better.

The dialogue model would do better, in fact, because it is through political dialogue that "collective identity and will" may be expressed.[26] For socialists wish to foster a sense of common identity; and the forging of a national identity is an important part of the purpose of political education.[27] While liberals thus "attempt to formulate a policy of toleration which remains blind to the content of the beliefs and practices" of different cultures, socialist policy has to "take account of the interplay between public and private cultures." What is at stake is "citizen identity," which cannot be taken for granted: "[I]t may have to be protected against the encroachment of ethnic and other sectional loyalties."[28]

[21] David Miller, *Market, State, and Community: Theoretical Foundations of Market Socialism* (Oxford: Clarendon Press, 1989), 252.
[22] Ibid., 252.
[23] Ibid., 254.
[24] Ibid., 255.
[25] Ibid., 255–57.
[26] Ibid., 274.
[27] Ibid., 293.
[28] Ibid.

What Miller wants to defend here is the political ideal of citizenship in the nation-state, which he sees as essential for the establishment of a socialist community. Such a state would, however, have to be a constitutional state. For while the state has important functions to perform (and Miller lists five: a protective function, a distributive function, economic management, the provision of public goods, and self-reproduction[29]), it also has to solve two important problems. First, there is the problem of how to prevent the bureaucracy from turning itself into a new ruling elite; and second, there is the problem of how to forge the popular will in a large, modern society. For Miller, this requires a complex constitutional state: one in which there is no sovereign power in the Hobbesian sense, but in which power is hived off to various bodies, none of which is supreme—though there would need to be a constitutional court to adjudicate disputes over the boundaries of authority.[30] Thus, for example, given its role as economic manager, the state would have responsibility for making decisions about capital investment. But responsibility for making particular decisions would be left to autonomous bodies—albeit, bodies subject to the guidelines mandated by the constitution of a socialist state.[31]

The socialist state, according to Miller, must be a limited and constitutional state. While it has radical tasks to perform, many of those tasks are best achieved in a roundabout way. As Miller explains:

> It needs to bind itself internally by specifying the functions of each constituent body (legislative, administrative, etc.) and appointing watch-dogs to guard the boundaries. Externally, its goals may best be achieved by, for instance, creating an appropriate incentive system and then allowing markets to operate; or by establishing semi-autonomous bodies acting under policy guidelines. It should not be the benevolent colossus of socialist myth; but nor, for the same reason, need it be the malevolent leviathan of libertarian nightmare.[32]

This view of politics under socialism, however, is seriously flawed in two crucial respects. First, it rests upon assumptions about political behavior that are altogether too optimistic and it neglects to deal with the problem of political power. In this respect, it offers us, in the end, not so much a theory of politics as an account of what socialists hope politics will be like. Second, it does not make political space for the possibility that people might reject socialism. Yet a society of the sort that socialism envisions, in which people cooperate voluntarily and are willing partici-

[29] Ibid., 295–98.
[30] Ibid., 301.
[31] Ibid., 312.
[32] Ibid., 319.

pants in a collective endeavor, cannot exist unless it is possible for people to reject this ideal.

The problem with socialism's view of politics, in the end, is that it does not take seriously enough the problem of lust: lust for political power. This is not because only a crude realist view of politics is admissible. There is more to political life than the simple exercise of force or the driving of hard bargains. Considerations of morality have a role to play, no less than do considerations of honor, affection, advantage, and fear. But this complexity should not blind us to the fact that in politics the drive for power is of tremendous significance, whether those pursuing it are motivated by high-minded ideals or by the desire to enrich themselves, their families, and their friends. In this game, people will cheat, lie, and steal. Opponents will, from time to time, be blackmailed or killed, and colleagues will be betrayed. Rules will be bent, broken, rewritten, reinterpreted, and, when possible, ignored—all in the pursuit of political goals. Even in the freest and most open political system, political actors will be found to have embezzled money, covered up law-breaking, misled the public, fiddled elections, bribed officials or important leaders of business or labor, and generally been guilty of sleazy dealings. This is not the whole of politics, but it is certainly a part of its rich tapestry.

When we consider this, the contrast Miller draws between politics as dialogue and politics as interest-aggregation seems wide of the mark because it offers us a false account of the alternatives, contrasting a descriptive theory with a normative one. Those who have defended the interest-aggregation model of politics have not always been as sanguine as Miller's account implies about the prospects of political bargaining producing outcomes that are truly reflective of the general interest. Indeed, the only respect in which the interest-aggregation model is at all compelling is as an account of politics that emphasizes that the outcome of politics is always a compromise that reflects the strengths of the contesting parties in the process. The moment it begins to suggest that this outcome might somehow amount to something that is good or desirable in itself, it becomes less persuasive. It is convincing only as a descriptive account, but not as a normative account, for as Miller quite rightly points out, the outcome of interest-group bargaining is highly arbitrary. But this means that to contrast a descriptive account of politics—the interest-aggregation model—with what is essentially a normative account—the dialogue model—is a little misleading.

But in any case, the dialogue model of politics is not particularly convincing to the extent that it offers us little more than fine sentiments about what politics ought to be like, with little to reason to think that it could be. To be sure, in any decent political system there will be an important element of dialogue—for a political order in which reasons and arguments had no sway would be one in which humanity was entirely absent. But it would be too much to expect reason and argument, or a disinter-

ested concern for the common good, always—or even regularly—to overcome partiality, pride, or the sheer desire for power. The Athenians engaged in dialogue with the people of Melos and offered them reasons why they should surrender and submit to Athenian rule. And the Melians, in turn, answered and explained why they would rather not. But the Athenians did not like that answer and so slaughtered the men of Melos, and enslaved the women and children.

What a socialist theory of politics needs to offer is not simply an assertion that dialogue in search of consensus would be better. This is not only because consensus is not always better, or even possible—what, after all, would a consensus between Athens and Melos have looked like? We can easily accept that dialogue is generally better. What socialism needs to offer is a theory explaining why it thinks that a dialogic model of politics is possible. The liberal theory of politics assumes that it is not, because dialogue will not dominate interest. According to the liberal view, political power is something that needs not so much to be harnessed as to be constrained. This is not because all men are knaves, but because the risk of the abuse of power, and the devastating consequences such abuse can bring, compel us to make this assumption. The best solution is to divide and devolve power so that the harm caused by the politically ambitious is minimized. But for this devolution to be effective, it must do more than simply establish a hierarchy under which power is formally divided. Power must also be separated, so that there are genuinely independent sources of power capable of challenging or resisting any authority that threatens to misrule. Indeed, this kind of separation of power is necessary simply so that the ruled have the resources to scrutinize the workings of rulers. In the end, good government cannot be mandated, or guaranteed by a constitution. Its existence can only be made a little less unlikely by institutions that make it difficult for any individual, group, or party to rule unchecked.

Miller's theory of politics does not give the same weight to this concern. While he is aware of the danger of a ruling elite arising, his solution is for the state to "bind itself internally" and then appoint watchdogs. But from a liberal point of view, this does not take seriously enough the problem of who will watch the watchdogs. What is needed, according to liberals, is not for the state to be internally bound, but for it to be externally accountable—for it to be watched by people who lie beyond its power. This will not prevent rulers from behaving corruptly, or stop other political actors from behaving badly in the pursuit of power or in their efforts to influence rulers to rule in their favor. But it should limit the damage of corruption, particularly to the extent that the separation of powers in society places limits on the scope of state activity. The outcome of such a politics will always be an imperfect compromise; but the point is not to obtain a particular highly desired outcome, but only to minimize highly undesirable ones. Social-

ist politics is not greatly sensitive to this concern. Nor is it particularly sympathetic to the liberal solution of decentralized social power. But this is not so surprising, since socialism is marked by a hostility to any social order that is characterized by a diversity of competing, private interests. It wants an order in which private interest is subordinated to the interest of the whole. What it has never offered us, however, is a convincing theory of the politics of such an order.

Socialists, in principle, are against dictatorship. But the problem for a socialist politics that repudiates dictatorship is that it must leave open the possibility that socialism would be rejected by the people through the political process. And this it has never been willing to do—perhaps unsurprisingly, since to many this would amount to an abandonment of the socialist ideal. Thus, socialists like Miller take very seriously the problem of social reproduction, for socialism must put in place institutions that make it unlikely that socialism will be rejected in the future. Yet the more seriously this is done, the less scope there is for people to reject socialism. Either their choices will be limited or their desire to make particular changes will be reshaped by the socialist polity. Yet this significantly weakens any claim socialism might be able to make that it is a political system that is a voluntary scheme of social cooperation or, in Cohen's words, "a real and complete democracy."

Now it might be argued that the same goes for liberalism or for capitalism: these also are self-reproducing and self-perpetuating political and economic systems. Yet this is simply not so—or, at least, not in the same way. As Schumpeter pointed out in *Capitalism, Socialism, and Democracy*, one of capitalism's most striking features is its propensity to create and nurture people who are critical of capitalism. Indeed, Schumpeter saw in this feature of capitalism the seeds of its own destruction. Capitalism was unlikely to survive, he thought, because it did not generate its own ideological support, but, on the contrary, gave succor to an intellectual elite that was highly critical of its workings.[33]

The same point could equally be made about liberalism. Liberal political systems are noteworthy not only for tolerating a wide variety of ways of life, but also for accepting, and upholding, the freedom of dissenters to criticize and try to change the liberal order. Liberals will accept within their political midst communists, fascists, anarchists, conservatives, and religious zealots, as well as socialists, social democrats, and market socialists. Indeed, because it is characterized by a devolution of both authority and social power, a liberal order may well contain subgroups or substate systems (say, in a federation) that are run according to illiberal principles. Liberals, if they are consistent, will press for the devolution of power (or the acceptance of devolved power)

[33] Schumpeter, *Capitalism, Socialism, and Democracy*, chap. 22.

before they will call for the enforcement of liberal principles within any political association or group.[34]

Socialism, unlike liberalism, however, attaches great importance to social unity, and sees in political activity an opportunity to bring about an end to the divisions that mark a society in which private interests have free reign. But the trouble with political activity is that if people are allowed the freedom to engage in politics, they will not only push in different directions, but also decline to push (in sufficient numbers) toward socialism. What is needed from socialist political theory is an explanation of how there can be a political order in which people are both free to choose socialism and actually do choose socialism—without that order being simply one in which majority preference subordinates that of the minority. What is needed is an explanation not of why a nondictatorial socialist politics is desirable, but how such a politics is possible.

VI. Conclusion

Socialism was perhaps the most important political movement of the twentieth century. It was the ideology that guided or motivated some of the most ambitious attempts to transform society in order to create a better world. It dominated politics in India, China, and the Soviet Union and its satellites, as well as the agendas of major political parties throughout Western Europe. For much of that time, the future of socialism was thought to be a promising one, and theoretical discussions asserted or assumed its coming success, while the arguments of its detractors were dismissed. Its economics was alleged to be more productive and its politics more in tune with the twentieth century's turn toward democratic equality. The failure of socialism, however, has revealed that its economic theory is untenable, and its political theory is nonexistent. The former failing has been well understood for some time. But the failure of socialism to develop a plausible political theory has not been fully recognized. One consequence of this latter failing is that socialists continue to try to develop socialist theories of justice and equality, even though it is hard to see how this could be of any interest in the absence of a socialist theory of politics.

Yet perhaps this does not much matter. For if the argument of this essay is to be believed, there is no plausible theory of politics that would prove of much help to socialists—at least for as long as they continue to hold on to socialism's original ideals rather than simply to, say, an ideal of liberal equality. Liberal politics, in the end, has only one aim: to prevent tyranny. This is vital if liberty is to be enjoyed by the people. The modern eco-

[34] I recognize that this is a controversial point. I have defended this view at length in Chandran Kukathas, *The Liberal Archipelago: A Theory of Diversity and Freedom* (Oxford: Oxford University Press, 2003).

nomic system most compatible with this aim is capitalism; and liberals are, by and large, willing to accept the outcomes that this system generates, including economic inequality and political compromise—even compromise with socialist demands. Socialism, however, wants a politics that will combine nontyranny with a particular outcome: socialism. But this is not possible because, in a nontyrannical political order, a variety of outcomes is possible, and outcomes will change from time to time. Thus, if socialists want to preserve nontyranny, they will have to work within the pluralist politics of liberalism (avoiding proposals that will weaken checks on power) and give up on the possibility of an enduring socialist polity.

This, from a socialist point of view, is not a happy fate. But it must, after all, be the kind of fate to which any ideology must reconcile itself if it is so mistaken as to hope to see a society that honors its principles and places them above politics. For as long as people have a propensity to think for themselves and to think differently, no political ideology will win a permanent, or even a particularly enduring, victory. This goes for socialism as much as it does (alas) for one of the major alternatives to socialism, which, as it happens, also lacks any sort of a theory of politics: the libertarian theory of the minimal state.[35]

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[35] Libertarianism is subject to the same problem that socialism faces: if it tolerates pluralism and repudiates dictatorship, there is no reason to think that libertarian principles will generally be embraced or chosen by the political process. By libertarianism, I mean the political theories associated with such thinkers as Robert Nozick, Ayn Rand, and Murray Rothbard, rather than the liberal tradition (from John Locke to F. A. Hayek) more generally.