

Chapter Nine: Socialism (pg 121-148)

Historic Background

End of the Handicraft manufacturing
And much social dislocation....

Dickensian economics.....

Questions about how bad it was relative to rural poverty

Calls for economic reform – and resistance to this from capitalists
Who cited Adam Smith as their “prophet”

No Minimum wages, unions, welfare state, accident insurance, etc.
And through it all, increasing wealth disparities

How to measure wealth

Was it really the case that government could do nothing????

Types of Socialism

Utopian Socialism (1800 on)

Developed by Saint-Simons, Fourier, Owen

Believed that class interests were reconcilable

Developed better socialist organizations, that could be adopted voluntarily

These organizations were incredibly planned, but generally failed

State Socialism (1830s on, Louis Blanc)

The state could act as an impartial arbitrator between classes

As long as the franchise and public education was extended to labor

Sometimes, the state did everything (USSR)

Other times, the “commanding heights” (TVA, New Econ. Plan, Social Sec.)

Christian Socialism (Post 1848 revolutions, England and Germany)

Follow the bible, which advocates a “socialist” style of economics

But no class struggle, no violence

Fellowship and friendship through shared biblical values

Advocated things like sanitary reform, educations, factory regulation, etc.

Anarchism (1830s on, especially prevalent after 1870s)

All forms of government are coercive

Order was still necessary, but it should come about voluntarily

Human nature is essentially good, the state corrupts us

So in an anarchical state, cooperation would lead to production

Larger units could only be formed voluntarily

In practice, things would look like utopian socialism, except never detailed out

Marxian Socialism (after Marx, 1848 on...)

Scientific Socialism, based on Marx and Engels

A very hard labor theory of value, and conflicting class interests

Capital exploited Labor, always and everywhere

Very Materialist in theory, and application

Most private property abolished, profits not needed, centrally planned

Capitalism was doomed, due to the dialectic properties of society

Communism (comes after Socialism)

In this form, the state has withered away, it is not needed anymore

The state is just how one class oppresses another anyway
Government will not be about people, it will just be administering things
Wealth will not be a constraint, plenty to go around
Individuals will want to contribute, since all are now the same class

Revisionism

Socialism without the class interests
Forget class struggle, the government could be used for good ends, if
It was captured by the good classes
Revisionism sought power through education, elections, ballots

Syndicalism

Anti-parliamentarians and anti-militarism
Participation in the election process “corrupted” socialism
Piecemeal reform, individual unions, are counter-productive
“the worse, the better” – bad conditions hasten revolution
So they wanted one big union, and one big strike, and then on to
Communism and the end of coercive government

Guild socialism (British, around WWI)

Gradualist, reforming
Sought to transform society from Capital and Labor
Into producers and consumers
Now capital owned by the workers, in guilds (industrial unions)

Commonalities of socialism

They all repudiated to some degree, the concept of harmonious interests
Society is composed of classes, who often had opposing interests
Good people would have opposing interests in capitalist societies
Since interests were often opposing, laissez-faire permitted organized theft
Government could be a force of good, but currently was a force of bad
Say’s law did not hold.
Capitalism is subject to periodic crises or stagnation
Humanity was not “fallen”, it was good by nature
Society made humans bad, they were not by nature.
Capitalism leads to greed, profits to selfishness, etc.
So humans are perfectible, in the right environment.
Collective action and public ownership to fix the problems of society
Collective ownership by govt., or voluntary groups, or no ownership

Whom did Socialism benefit or Seek to Benefit

Some groups sought to benefit everybody
Promoted harmonious interests, tried to reconcile problems
Others sought to only help the poor/labor, class conflict dominated

How was Socialism Valid, Useful, or Correct for Its Time

The socialist critique was often right, though also often dated...
Poverty and the business cycle did both exist...
Even if Laissez-Faire was the best policy, did that mean in everything?

Which Tenets of Socialism Became Lasting Contributions?

Henri Comte De Saint-Simon (1760-1825, French)

From minor nobility, fought in U.S. revolution and French Revolution
Became rich from speculating on church land, arrested by Robespierre..
Became a prophet, spent all his money on intellectuals, went broke
Shot himself, luckily lost only an eye

A very early socialist, before there was a French Working Class
Reorder society not on the basis of property, but of production
Three chambers of industrial parliament
Invention, Review, and Execution
Large scale, cooperative industrial projects the key to humanity
Things like big banks, suez canal, etc.
Central planning would be important
Was considered a radical, tried for heresy but acquitted.

Charles Fourier (1772-1837, French)

Son of merchant, lost everything in the French Revolution
Self educated, disliked capitalism, and large, centralized industrialization
Competition breeds waste, private property leads to speculation
Bourgeois' life was morally empty and corrupt

Solution: Remove the artificial barriers harmonious interplay between
The 12 passions: (5 senses, 4 group passions, 3 distrib. Passions)
The creation of Phalansteries (Phalanxes)
810 personalities, so 1620 per phalanx
Communal kitchens, living, economies of scale would end want
Children could be used to do the dirty work
Women's equality, homosexual rights
And fairies to help the jilted, card indexes

Once he had it all planned out, he announced it to world
And waited for the capitalists to come to him for help
But they never arrived
Phalanxes were set up in the U.S., about 40 of them
Modern examples include the Israeli Kibbutz system

Simonde De Sismondi

Robert Owen (1771-1858, British)

Born poor, little formal education, he worked hard and worked his way up
Formed partnerships, bought out others, at 20 managed 500 in factory
Went into textiles, at 28 bought new Lanark mills in Scotland
Transformed it into a "model" factory

All kinds of social reforms

Eliminated child labor, the truck system, educated workers children
10 hour work week, old age insurance, pensions, sick leave
And in return, the workers worked hard, and were appreciative
New Lanark always turned a profit
Though some of Owen's spending seemed extravagant
Owen had continuous problems with his partners, kept buying them out
Even Bentham
It became an international landmark, but.....
Owen moved on, it was too restricting for him, in 1828
Set up another community, in New Harmony, Indiana
It failed, badly and quickly
An oddball collection of misfits, idealists, the lazy and Sharpers
In later life, tried other things, none so successful

Core belief that environment was everything
Throughout his life, he did for others, not have them do it themselves
The problem was children were raised wrong
Denied the concept of free will, or individual responsibility
People don't steal, society conditions them to steal
Religion is all nonsense, an attempt to explain away societies ills
Eventually, became a spiritualist...

Louis Blanc (1811 – 1882, French)

Impoverished, born in Madrid,
In 1839 published "organisation du Travail", gained fame
In 1848, pressured the government to form national workshops
These workshops were government run work programs
But were deliberately mismanaged
Eventually, they were bloodily suppressed, Blanc fled to England
Opposed most piecemeal reform as futile, rejected class warfare
Workers must unite, and capture the state
And transform it into a progressive, socialist entity
Producers associations (organized at first by the state)
Would outperform capitalist firms, which would wither away

Charles Kingsley