

## REINVENTING SOCIALISM AND RECOVERING MARX

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What is socialism? For many people schooled in the texts of the 20th Century, the following propositions essentially hold:

1. socialism is the first stage after capitalism and is succeeded by the higher stage, communism.
2. development of the productive forces is the condition for communism.
3. the principle of distribution appropriate to socialism and the development of productive forces is in accordance with one’s contribution.

In short, socialism in this received doctrine is the stage in which you develop productive forces and thereby prepare the way for the higher stage. Further, an important characteristic of the socialist stage is the place of material incentive, the application of the ‘socialist principle’ of ‘From each according to his ability, to each according to his work.’

To a significant extent, these propositions can be traced back to Lenin. It is well-known, too, that these propositions were accepted as the theoretical foundations for attempts as disparate as the Soviet model and Yugoslav self-management to build socialism in the 20<sup>th</sup> Century--- attempts, we know, that ended in a miserable fit of the blues. The question I pose, then, is whether we don’t have to *reject* these propositions--- not only based on the fate of these historical experiments but also as a distortion of Marx.

### *The Key Link*

‘*We have to re-invent socialism*’--- this was the statement with which Hugo Chavez electrified activists in his closing speech at the January 2005 World Social Forum in Porto Alegre, Brazil. ‘It can’t be the kind of socialism that we saw in the Soviet Union,’ he stressed, ‘but it will emerge as we develop new systems that are built on cooperation, not competition.’ If we are ever going to end the poverty of the majority of the world, capitalism must be transcended, Chavez argued. ‘But we cannot resort to state capitalism, which would be the same perversion of the Soviet Union. We must reclaim socialism as a thesis, a project and a path, but a new type of socialism, a humanist one, which puts humans and not machines or the state ahead of everything’ (Lebowitz, 2006: 109).

In short, neither expansion of the means of production nor direction by the state should define the new socialist society; rather, human beings must be at its centre. *This is the spectre that is haunting capitalism--- the spectre of socialism for the twenty-first century.* At its core is the ‘key link’ of human development and practice--- a concept that can be seen clearly in the Bolivarian Constitution of Venezuela, adopted in 1999.

In its explicit recognition in Article 299 that the goal of a human society must be that of ‘ensuring overall human development,’ in the declaration of Article 20 that ‘everyone has the right to the free development of his or her own personality’ and the focus of Article 102 upon ‘developing the creative potential of every human being and the full exercise of his or her personality in a democratic society’--- the theme of human development pervades the Bolivarian Constitution.

But there is more. This Constitution also focuses upon the question of *how* people develop their capacities and capabilities--- that is, *how* overall human development occurs. Article 62 of the Constitution declares that participation by people in ‘forming, carrying out and controlling the management of public affairs is the necessary way of achieving the involvement to ensure their complete development, both individual and collective.’ The *necessary* way. The same emphasis upon a democratic, participatory and protagonistic society is also present in the economic sphere, which is why Article 70 stresses ‘self-management, co-management, cooperatives in all forms’ and why Article 102’s goal of ‘developing the creative potential of every human being’ emphasizes ‘active, conscious and joint participation’ (Lebowitz, 2006: 72, 89-90).

This key link--- this focus upon human development and upon practice and protagonism as the ‘necessary way’--- was at the core of Marx’s perspective. The Young Marx, for example, envisioned a ‘rich human being’--- one who has developed his capacities and capabilities to the point where he is able ‘to take gratification in a many-sided way’--- ‘the *rich man profoundly endowed with all the senses*’ (Marx, 1844: 302). ‘In place of the *wealth and poverty* of political economy,’ he proposed, ‘come the *rich human being* and *rich human need*’ (Marx, 1844: 304).

But, it was not only a young, romantic, so-called pre-Marxist Marx who spoke so eloquently about rich human beings. In the *Grundrisse*, Marx returned explicitly to this conception of human wealth---to a rich human being ‘as rich as possible in needs, because rich in qualities and relations.’ Real wealth, he understood, is the development of human capacity--- ‘the ‘development of the rich individuality which is as all-sided in its production as in its consumption’ (Marx, 1973: 325). Indeed, what is wealth, he asked, ‘other than the universality of individual needs, capacities, pleasures, productive forces, etc’ (Marx, 1973: 488)?

In short, Marx looked to a society where each individual is able to develop his full potential--- i.e., to the ‘absolute working-out of his creative potentialities,’ the ‘complete working out of the human content,’ the ‘development of all human powers as such the end in itself’ (Marx, 1973: 488, 541, 708). Could anything be clearer? This is what Marx’s conception of socialism was all about--- the creation of a society which removes all obstacles to the full development of human beings.

*But how are rich human beings produced?* Marx was always clear that people develop through their own activity. This was his concept of ‘revolutionary practice’--- ‘the coincidence of the changing of circumstances and human activity or self-change’ (Marx, 1845: ). People don’t develop by giving them gifts from above. That was the essence of the utopian socialism that Marx rejected--- the belief that if we change the circumstances for people (for example, by creating new structures, new communities and the like and then insert people into these), they will be themselves different people.

In contrast, Marx’s concept of revolutionary practice is the red thread that runs throughout his work. He talked, for example, of how people develop through their own

struggles--- how this is the only way the working class can ‘succeed in ridding itself of the muck of ages and become fitted to found society anew.’ And he told workers that they would have to go through as much as 50 years of struggles ‘not only to bring about a change in society but also to change yourselves, and prepare yourselves for the exercise of political power’ (Lebowitz, 2003: 179-84).

### *Joint products*

Always the same point--- we change ourselves through our activity. And, this is true of *all* activities of people. Every process of activity has *two* products: the change in circumstances and the change in the actor; every labour process creates a joint product, a particular human product. As Marx commented in the *Grundrisse*, in production ‘the producers change, too, in that they bring out new qualities in themselves, develop themselves in production, transform themselves, develop new powers and ideas, ...new needs and new language’ (Marx, 1973: 494). Here, indeed, is the essence of the cooperative society based upon common ownership of the means of production --- ‘when the worker cooperates in a planned way with others, he strips off the fetters of his individuality, and develops the capabilities of his species’ (Marx, 1977:447).

But what about human activity under capitalist relations of production? What is the joint product that develops alongside the commodities containing surplus value that emerge from this particular labour process? How are the capacities of producers shaped by the social relations characteristic of capitalism?

Within capitalist relations of production, people are subjected to ‘the powerful will of a being outside them, who subjects their activity to his purpose.’ The creative power of the worker’s labour here ‘establishes itself as the power of capital, as an *alien power* confronting him’ (Marx, 1977: 450; 1973: 453, 307). Thus, fixed capital, machinery, technology, all ‘the general productive forces of the social brain’, appear as attributes of capital and as independent of workers (Marx, 1973: 694; 1977: 1053-4, 1058). Workers produce products which are the property of capital, which are turned against them and dominate them as capital. The world of wealth, Marx commented, faces the worker ‘as an alien world dominating him.’

And, that alien world dominates the worker more and more because capital constantly creates new needs to consume as the result of its requirement to realise the surplus value contained in commodities (Lebowitz, 2003: 37-9). For workers, producing within this relationship is a process of a ‘complete emptying-out,’ ‘total alienation,’ the ‘sacrifice of the human end-in-itself to an entirely external end’ (Marx, 1973: 488). How else but with money, the true need that capitalism creates, can we fill the vacuum? We fill the vacuum of our lives with *things*--- we are driven to consume.

But consumerism is only one way that capitalism deforms people. In *Capital*, Marx described the mutilation, the impoverishment, the ‘crippling of body and mind’ of the worker ‘bound hand and foot for life to a single specialized operation’ that occurs in the division of labour characteristic of the capitalist process of manufacturing. Did the development of machinery rescue workers under capitalism? Certainly, the potential to permit workers to develop their capabilities was there; however, you can detect the horror with which Marx explained how machinery provided a technical basis for the capitalist

‘inversion’--- how it *completed* the ‘separation of the intellectual faculties of the production process from manual labour’ (Marx, 1977: 482-4, 548, 607-8, 614).

In this situation, head and hand become separate and hostile, ‘every atom of freedom, both in bodily and in intellectual activity’ is lost. ‘All means for the development of production undergo a dialectical inversion,’ Marx indicated; ‘they distort the worker into a fragment of a man,’ they degrade him and ‘alienate from him the intellectual potentialities of the labour process’ (Marx, 1977: 548, 643, 799). In short, in addition to producing commodities and capital itself, the joint product of capitalist production that Marx identified in *Capital* is the fragmented, crippled human being, whose enjoyment consists in possessing and consuming things--- a *poor* human being.

### *The spectre haunting Marx’s Capital*

Once we understand Marx’s consistent focus upon human development, it is clear that the very *premise* of his *Capital* is the concept of a society in which the development of all human powers is an end in itself. The ‘society of free individuality, based on the universal development of individuals and on the subordination of their communal, social productivity as their social wealth’ is the spectre that haunts Marx’s *Capital* (Marx, 1973: 158).

Can we doubt at all the presence of this other world from *Capital*’s opening sentence? We are immediately introduced there to the horror of a society in which wealth appears *not* as real human wealth but, rather, as ‘an immense collection of commodities’ (Marx, 1977: 125). In contrast to the society propelled by the capitalist’s impulse to increase the value of his capital (and which looks upon human beings and nature as mere means), Marx explicitly evoked in *Capital* ‘the inverse situation in which objective wealth is there to satisfy the worker’s own need for development’ (Marx, 1977: 772).

What ‘inverse situation’? In fact, that ‘inverse situation’ oriented to human development is the perspective from which Marx persistently critiques capitalism. After all, he describes the fact that in capitalism means of production employ workers as ‘this inversion, indeed this distortion, which is peculiar to and characteristic of capitalist production’ (Marx, 1977: 425). Read *Capital* with the purpose of identifying the inversions and distortions in capitalism that produce truncated human beings, and we can get a sense of Marx’s idea of the alternative necessary to produce rich human beings. We understand what is ‘peculiar to and characteristic of’ production in Marx’s conception of socialism by inverting the capitalist inversion.

Given Marx’s description of the crippling of the body and mind of the worker, of how all means for the development of capitalist production ‘undergo a dialectical inversion’ and alienate from the worker ‘the intellectual potentialities of the labour process’, it is no accident that he indicated in *Capital* that the ‘revolutionary ferments whose goal is the abolition of the old division of labour stand in diametrical contradiction with the capitalist form of production’ (Marx, 1977: 619). To develop their capacities and potential, the producers must put an end to (what Marx called in his *Critique of the Gotha Programme*) ‘the enslaving subordination of the individual to the division of labour, and therewith also the antithesis between mental and physical labour’ (Marx, 1962: 24 ).

Indeed, expanding the capabilities of people requires the uniting of mental and manual activity. Not only does the combination of education with productive labour

make it possible to increase the efficiency of production; this is also, as Marx pointed out in *Capital*, ‘the only method of producing fully developed human beings’ (Marx, 1977: 614). The answer to truncation and crippling of people is ‘variation of labour, fluidity of functions, and mobility of the worker in all directions’---- this is what is meant by the development of human capacity. The partially developed individual, Marx argued, ‘must be replaced by the totally developed individual, for whom the different social functions are different modes of activity he takes up in turn’ (Marx, 1977: 617-8)

In short, there can be little surprise that Marx looked forward to the *re-combining* of head and hand, the uniting of mental and physical labour--- i.e., to a time when the individual worker can call ‘his own muscles into play under the control of his own brain. Here, then, is the way to ensure (in the words of the *Gotha Critique*) that ‘the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly’ (Marx, 1962: 24).

What kind of productive relations, then, can provide the conditions for the full development of human capacities? Only those in which there is conscious cooperation among associated producers; only those in which the goal of production is that of the workers themselves. Clearly, though, this requires more than worker-management in individual workplaces. They must be the goals of workers in society, too -- workers in their communities.

Implicit in the emphasis upon this key link of human development and practice is our need to be able to develop through democratic, participatory and protagonistic activity in every aspect of our lives. Through revolutionary practice in our communities, our workplaces and in all our social institutions, we produce ourselves as ‘rich human beings’--- rich in capacities and needs--- in contrast to the impoverished and crippled human beings that capitalism produces. This concept is one of democracy in *practice*, democracy *as practice*, *democracy as protagonism*. Democracy in this sense--- protagonistic democracy in the workplace, protagonistic democracy in neighbourhoods, communities, communes--- is the democracy of people who are transforming themselves into revolutionary subjects.

### *Socialism for the 21<sup>st</sup> Century*

We are describing here one element in the concept of socialism for the 21<sup>st</sup> century--- a concept of socialism as a particular organic system of production, distribution and consumption. *Social production organized by workers* is essential for developing the capacities of producers and building new relations -- relations of cooperation and solidarity. And, if workers don’t make decisions in their workplaces and communities and develop their capacities, we can be certain that *someone else will*. In short, protagonistic democracy in all our workplaces is an essential condition for the full development of the producers

But there are other elements in this socialist combination, which I explore in my new book, *The Socialist Alternative: Real Human Development* (Lebowitz, 2010). The society we want to build is one which recognises that ‘the free development of each is the condition for the free development of all’ (Marx and Engels, 1848: 506). But, how can we ensure that our communal, social productivity is directed to the free development of *all* rather than used to satisfy the private goals of capitalists, groups of individuals, or state bureaucrats? A second side of what Chavez in January 2007 called the ‘elementary

triangle of socialism' concerns the distribution of the means of production. *Social ownership of the means of production* is that second side. Of course, it is essential to understand that social ownership is not the same as state ownership. Social ownership implies a profound democracy -- one in which people function as subjects, both as producers and as members of society, in determining the use of the results of our social labour.

Are common ownership of the means of production and cooperation in the process of production, however, sufficient to for 'ensuring overall human development'? What kind of people are produced when we relate to others through an exchange relation and try to get the best deal possible for ourselves? This brings us to third side of the triangle: *satisfaction of communal needs and communal purposes*. Here, the focus is upon the importance of basing our productive activity upon the recognition of our common humanity and our needs as members of the human family. In short, the premise is the development of a solidaristic society--- one in which we go beyond self-interest and where, through our activity, we both build solidarity among people and at the same time produce ourselves differently.

These three sides of the 'socialist triangle' form members of a whole; they are parts of a 'structure in which all the elements coexist simultaneously and support one another' (Marx, 1847: 167). Its premises are results of the system; and its products are social ownership of the means of production, social production organized by workers, and a solidaristic orientation to communal needs and purposes. Yet, the very interdependence of these three specific elements suggests that realization of each element depends upon the existence of the other two. In socialism as an organic system, 'every economic relation presupposes every other in its [socialist] economic form, and everything posited is thus also a presupposition, this is the case with every organic system' (Marx, 1973: 278).

Of course, an organic system does not drop from the sky. A new system never produces its own premises at the outset. Rather, when it emerges, it necessarily *inherits* premises from the old. Its premises and presuppositions are 'historic' ones, premises which are produced outside the system. Thus, every new system as it emerges is inevitably defective: it is 'in every respect, economically, morally and intellectually, still stamped with the birth marks of the old society.' Recognising the difference between the Being and the Becoming of an organic system is at the core of a dialectical perspective.

As Hegel put it, the 'new world is perfectly realized as little as the new-born child'; it realizes its potential 'when those previous shapes and forms... are developed anew again, but developed and shaped within this new medium, and with the meaning they have thereby acquired' (Hegel, 1967: 75-6, 81). Marx understood such development as the process of *becoming*--- 'the process of becoming this totality forms a moment of its process, of its development.' And, how does this development occur? 'Its development to its totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks. This is historically how it becomes a totality' (Marx, 1973: 278).

*The first reject*

This brings us to the first proposition in the received doctrine that must be rejected. Reading Marx's distinction between the new society as it initially emerges and that society once it has produced its own foundations, Lenin in *State and Revolution* interpreted this difference as two separate stages, socialism and communism. But, was this conception of two stages (which he called 'stages of economic ripeness') consistent with Marx's view?

In his *Critique of the Gotha Programme*, Marx did indeed distinguish between a communist society 'as it has *developed* on its own foundations' and one 'just as it *emerges* from capitalist society; which is thus in every respect, economically, morally and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges.' Further, he explicitly recognized that it was 'inevitable' that this new society 'when it has just emerged after prolonged birth pangs from capitalist society' would be characterized by 'defects'--- defects such as the orientation toward an exchange of equivalents (where 'the same amount of labour which he has given to society in one form he receives back in another form').

But this conception of two separate stages *distorts* Marx's perspective. How was what Marx said any different from his general description of a single organic system and his description of the development of capitalism--- that a new system necessarily develops on the basis of inherited, historic premises and that its further development requires it to transform those premises into ones it produces itself? As capitalism did in its process of becoming, socialism must go beyond what it has inherited to produce its *own* premises; it has to generate premises in their *socialist* economic form.

And, once socialism *does* produce its own premises, then we can say that the system 'has *developed* on its own foundations.' Again, this process of development is the process of becoming the organic system of socialism: '*its development to a totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs it still lacks.* This is historically how it becomes a totality' (Marx, 1973: 278 emphasis added).

As I argue in *The Socialist Alternative*:

We will never understand Marx's conception of socialism or what he had to say about economic systems in general if we don't grasp the essential distinction between the 'Becoming' of a system and its 'Being'--- between the historical emergence of a particular form of society and the nature of that society *once it has developed upon its own foundations* (Lebowitz, 2010: Ch. 4).

*Should we accept that Marx abandoned his dialectical perspective and substituted for it a concept of discrete stages with differing principles?*

In fact, there is no basis for this substitution. But does it *matter*? Does it make a difference whether we think about a single organic system in the process of becoming or whether we consider this as two separate stages? Well, yes it does. Because the concept of separate stages is only the first step in Lenin's interpretation which became the received doctrine for all 20<sup>th</sup> Century attempts to build socialism. It creates the theoretical space for the concept of a distinct 'socialist principle,' distribution in accordance with contribution, and for the place assigned to the development of productive forces in the transition from lower to higher stage.

*The second reject*

Consider the latter first. Recall that the central question Lenin was asking in *State and Revolution* was the character of the state after capitalism. His answer was that it varied: a state would be unnecessary in the higher stage of communism. However, a state *would* clearly be required within socialism. Why? Because until such time as it was possible to distribute products in accordance with needs and until such time as it was possible to allow people to choose whatever activities they wished, a state was necessary. And what would determine that time? The state would be needed to regulate ‘the quantity of products to be received by each’ and this would continue until the socialist stage brought about ‘an enormous development of productive forces’. The latter would be the ‘economic basis for the complete withering away of the state’ and the development of communism. Distribution in accordance with needs would be possible for people only ‘when their labour becomes so productive that they will voluntarily work *according to their ability*’ (Lenin, 1965: 114-5).

*Everything* in short would depend upon the development of productive forces to move you to the higher stage of ‘economic ripeness’. No question is posed, though, about the *nature* of those productive forces and the organic link between the character of the relations of production and the productive forces developed within them. But that ignores everything that Marx had to say about this in Volume I of *Capital!* The productive forces developed under capitalism flow from and reflect the particular set of relations of production characteristic of capitalism.

After all, the specifically capitalist mode of production was developed as capital proceeded to subordinate all elements of society *to itself* and to create the organs which *it* still lacked. This was ‘the historical reshaping of the traditional, inherited means of labour into a form adequate to capital’ (Marx, 1973: 694,699). *Those new productive forces, in short, were not neutral.* ‘Peculiar to and characteristic’ of the productive forces that capital develops, Marx explained, is that ‘they distort the worker into a fragment of a man, they degrade him to the level of an appendage of a machine, they destroy the actual content of his labour by turning it into a torment; they alienate from him the intellectual potentialities of the labour process...; they deform the conditions under which he works....’ Indeed, ‘within the capitalist system,’ Marx concluded, ‘all methods for raising the social productivity of labour are put into effect at the cost of the individual worker...’ (Marx, 1977: 799).

*Of course, all new productive forces aren’t like that.* Rather than dividing, crippling, or otherwise harming producers, would not the productive forces introduced by associated producers be oriented toward the development of rich human beings? Just as capital develops productive forces which serve its goals, the specific productive forces developed in a society of associated producers would reflect that ‘inverse situation in which objective wealth is there to satisfy the worker’s own need for development.’ This inversion of the capitalist inversion necessarily involves the protagonistic democracy in the workplace that breaks down the division between thinking and doing; it involves a change in the economic structure of society that allows productive forces to increase ‘with the all-round development of the individual’.



Ignore the link between productive relations and the particular productive forces developed within them, and all that matters is the expansion of productive forces without regard for the particular joint product. Ignore the character of productive relations and their effect upon the development of human capacities, and you are led logically to the introduction of Taylorism and the capitalist factory. The protagonism in the workplace which is an investment in human capacities then becomes a matter for the *higher* stage. Meanwhile, the production process does the job of producing alienated and emptied-out workers who must possess more and more alien commodities.

### *The third reject*

Third, it is necessary to reject the proposition that distribution in accordance with contribution is ‘the socialist principle’. This was a serious misinterpretation (and misapplication) of Marx’s *Critique of the Gotha Programme*. The inevitable ‘defect’ Marx identified in socialism as it emerges was transformed from a defect into a *principle*. Rather than a distribution relationship that had to be reinforced, for Marx this defect was a historical premise that had to be *subordinated*.

The precise nature of that premise was the continued existence of an exchange relation--- an exchange not of commodities but, rather, of one’s labour with society: ‘the same amount of labour which he has given to society in one form he gets back in another.’ It was an exchange between an *owner* (the owner of what Marx referred to as ‘the personal condition of production, of labour power’) and the one who owns the use-values he desires. And, Marx noted here that ‘the same principle prevails as in the exchange of commodity-equivalents: a given amount of labour in one form is exchanged for an equal amount of labour in another form.’

‘Give me that which I want, and you shall have this which you want,’ is the principle of exchange of equivalents; and, it, of course, implies its *opposite*: if I *don’t* get the equivalent, you shall not have what *you* want. If members of society relate to each other as owners of their labour-power, each seeks to maximize income for a given quantity of labour (or to minimize labour for a given income.).

This continuation of ‘bourgeois right’, of course, immediately reveals that solidarity is not the bond between members of society. The only thing that matters in such a social relation is how much labour an individual has contributed. Because of the inequality in the capacities owned by the individual producers, this exchange relation is necessarily marked by inequality in distribution.

Marx unequivocally *condemned* this relation as an entirely one-sided perspective. He pointed out that it ‘tacitly recognizes unequal individual endowment and thus productive capacity as natural privileges.’ By this standard, those who own greater productive capacity are *entitled* to get more. Nothing else matters. Individuals unequal in their capacities are considered, Marx noted, ‘from one *definite* side only, for instance, in the present case, are regarded *only as workers* and nothing more is seen in them, everything else being ignored’ (Marx, 1962: 23-4).

This sounds familiar--- *just like the political economy that Marx criticized in his earliest writings*, this conception of distribution according to contribution looks at the producer ‘only as a *worker*.... It does not consider him when he is not working, as a human being’ (Marx, 1844: 241). Everything else is ignored except that they are owners.

Indeed, Marx's critique of this particular exchange relation in socialism as it first emerges mirrors his earliest critique of the political economy of capital, which begins from the premise that we are *separate*, that the community of human beings is at its core a relationship of separate property owners. It 'starts out from the *relation of man to man* as that of *property owner to property owner*' (Marx, 1844a: 217).

The relation of exchange, Marx wrote in the *Grundrisse*, is one which presumes that despite 'the all-round dependence of the producers on one another', those producers are separate and isolated--- and that what exists is 'the total isolation of their private interests from one another' (Marx, 1973: 156-8). We engage in exchange out of our own self-interest. But, what kinds of people are produced in this relationship which begins from 'the separation of man from man'? Very clearly, people who *remain* alienated from each other, from our activity and from our own products.

Consider, on the other hand, the alternative that Marx envisioned—the 'association of man with man', where there is '*communal activity and communal enjoyment*--- i.e., activity and enjoyment which are manifested and affirmed in *actual direct association* with other men.' As Marx indicated in the *Grundrisse*, 'a communal production, communality, is presupposed as the basis of production. The labour of the individual is posited from the outset as social labour' (Marx, 1973: 172). In this relation, the 'communal character,' the '*social character*,' of our activity is presupposed, and thus there is an exchange not of exchange values but of 'activities, determined by communal needs and communal purposes' (Marx, 1973: 171-2).

What is so obvious here is the joint product characteristic of this relation--- in consciously developing communal relations and producing directly for others, we not only satisfy the needs of others but we also produce ourselves as rich human beings. The process of developing socialism as an organic system is the process of developing this communality. How could we ever think that socialism would develop based upon a principle that views members of this society '*only as workers* and nothing more is seen in them, everything else being ignored!' This one-sided conception, Marx recognized, does not look upon producers as human beings. It stands in contrast to a *different* relation--- what a person is entitled to 'in his capacity as a member of society'. The new principle of distribution which socialism introduces, the *true* socialist principle, expands '*that which is intended for the common satisfaction of needs... in proportion as the new society develops*' (Marx, 1962: 23-4).

The point we need to draw from the *Critique of the Gotha Programme* is, of course, that socialism inevitably emerges with defects that it inherits from capitalism. But it does not develop by *building* upon those defects. Rather, its development into an organic system 'consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks.' It develops by changing the economic structure that subordinates individuals and prevents their all-round development.

### *The Market Self-Management model of Yugoslavia*

What happens, though, if instead of consciously attempting to subordinate the defect of self-interest by building solidarity among members of society, you instead attempt to build upon the defect? Consider in this context the experience with Yugoslav self-management. Looking at the Soviet model, in 1949 the Yugoslav leadership

described it as state capitalism and bureaucratic despotism; and, they argued that the bureaucracy in the Soviet Union had become a new class. State ownership, they declared, was only a *precondition* of socialism. For socialism, you need socialist relations of production--- i.e., self-management. Without worker management, they argued, there is no socialism.

Accordingly, a process was begun to develop worker-managed enterprises based upon social ownership of the means of production. Certainly, the extreme alienation characteristic of the Soviet workplace was not to be found. But something went wrong. In the end, there was neither social production organised by workers nor social ownership of the means of production.

What had happened? For one, in the absence of a sustained effort to educate workers in the workplace as to how to run their enterprises, the distinction between thinking and doing remained. Although they had the *power* to decide upon critical questions like investments, marketing, and production, the workers councils did not feel that they had the competence to make these decisions--- compared with the managers and technical experts. Thus, they tended to rubber-stamp proposals that came from management.

*Why weren't the workers real self-managers?* A very important part of the problem is the context in which these self-managed enterprises existed: they functioned in the market and were driven by one thing--- *self-interest*. When maximizing income per worker rather than the development of human capacity is the goal, the Yugoslav experience shows that it may be logical to rely upon experts who promise to take workers to that goal; the result is to undermine worker-management and to ensure that workers do not develop their potential.

Further, the emphasis upon self-interest necessarily affects solidarity. If the goal of worker management is cooperation among a specific group of producers for their self-interest, then *who is the Other?* Other groups of workers who are competing, producers who are selling required inputs, members of society who are your market or who assert a claim upon your means of production or upon the results of your labour, those who would tax you, the State--- indeed, *everyone else*. How do you build solidarity within society on this basis?

The focus upon self-interest also infected the concept of social property. While these enterprises were legally property of the state and were viewed as social property, there was differential access to the means of production. Some workers possessed much better means of production than others, and the unemployed (a growing portion because of machine-intensive investments) obviously had access to *no* means of production.<sup>1</sup> Growing inequality was the product of monopoly--- the ability to exclude others from particular means of production. Rather than social property, what existed was *group property*.

Despite measures and constitutional changes introduced to strengthen workers against what was described as a 'techno-bureaucracy' ruling over expanded reproduction, those measures did not challenge the entrenched power of the group property relation--- a relation that only on its surface was one of worker management. After all, it was the managers and technical experts in these enterprises who understood about marketing and

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<sup>1</sup> See a discussion of the general problem of differential access to the means of production in Michael A. Lebowitz 2003a.

selling commodities; it was the managers and technical experts who knew about investments, about placing the funds of the enterprises in banks and establishing links with other enterprises, creating mergers, and so forth. Workers didn't know these things; they knew that they were dependent upon the experts.

The Yugoslavian case demonstrates that even with state ownership of the means of production and the institution of workers councils for the purpose of worker management, an overwhelming emphasis upon self-interest undermines the development of socialism as an organic system. *Self-orientation infects all sides of the socialist triangle.*

Should we be surprised at this development? It is precisely the point made by Che Guevara in his *Man and Socialism in Cuba*:

The pipe dream that socialism can be achieved with the help of the dull instruments left to us by capitalism (the commodity as the economic cell, individual material interest as the lever, etc.) can lead into a blind alley. And you wind up there after having travelled a long distance with many crossroads, and it is hard to figure out just where you took the wrong turn (Tablada, 1989: 92).

### *The Spectre of Socialism for the 21st Century*

The concept of socialism for the 21<sup>st</sup> Century as an organic system points to the need to build all sides of the socialist triangle. Obviously, differing concrete circumstances means that it will not be possible to build all sides at the same pace or for all countries to follow the same steps. There is no single model. However, what this concept fosters is the recognition of the *interdependence* of these elements.

The failure to develop one side of this combination does not mean that socialism is at yet incomplete. Rather, it means that it is *infected*. After all, these defects are only defects from the perspective of the new society; in actual fact, they are integral parts of the *old* society. Private ownership of the means of production, despotism in the workplace, and self-interest as the goal of production all point backward to the old organic system and infect the elements alien to them. In contrast to a concept of stages in which you can put aside some questions until a later stage, the concept of socialism as an organic system theoretically posits what the experience of the 20<sup>th</sup> Century has demonstrated--- *the continued presence of elements which not only tend toward the reproduction of capitalism but which, sooner or later, open the door to its restoration.*

But is socialism for the 21<sup>st</sup> Century only a concept, only a spectre? There is definitely an attempt to make this spectre real in Venezuela at this time. Although it is attempting to advance all three sides of the socialist triangle (and most excitingly with the development of the communal councils which Chavez has called the cells of a new socialist state), that spectre is far from being realised and the obstacles (both internal and external) are immense (Lebowitz, 2006: Ch. 7; Lebowitz, 2007).

Nevertheless, that spectre of socialism for the 21<sup>st</sup> century has far more substance than the spectre Marx wrote about in the Communist Manifesto in the mid-19<sup>th</sup> Century. The spectre of socialism for the 21<sup>st</sup> century is a spectre--- but one which is capable of becoming a material force; it is capable of grasping the minds of masses precisely because it puts human development and practice at its core. Socialism for the 21<sup>st</sup> Century offers a vision which both reinvents socialism and recovers Marx. And, in this

world of capitalist crisis, ecological disaster and the spectre of barbarism, we desperately need that vision. The choice before us is socialism or barbarism.

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