



IS SOCIALISM DYING?



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"Either we change course or sink." (Raul Castro, 2010)

The other day at Rotunda Theatre, Monash University, I listened to what appears as a new voice for socialism in Sri Lanka, namely Gunaratnam of the newly formed Frontline Socialist Party (better kept in memory as the 'Peratugameen.'). This is the JVP breakaway-group. There were no interrupters this time at the Rotunda venue and so we could listen very comfortably to a different point of view. Gunaratnam himself gave the image of a nice and amiable man.

The preamble to the well-advertised lecture was impressive with multivideo clips of speeches from the peratugameen-young guys who spoke very fluently and who displayed agile minds. A great tribute it was to the Sinhala-educated intelligentsia who despite the drawback of not having comfortable access to an English language-dominated growing knowledge base in the relevant disciplines like sociology, political science, philosophy and economics, did remarkably well. One thing is, these young men and women are honest and they are passionate about what they have set out to do. Unfortunately, I cannot recall the names of these speakers.

My understanding is that many of these socialist intellectuals have the passion, the fluency, the language, the mental incisiveness, to dig out issues of social justice. They are right about all these things. Yet, they have no program to take us from here. At question time that night at Rotunda I asked Gunaratnam to outline the profile of the socialist model that he wants to bring about and the reply he gave me was that "we," (impliedly, myself- included) had met that day to try and figure that out. I was unaware that I

had come for such an awesome mission; nor do I feel I am capable of that. Gunaratnam looked to me like a man who was ready and dressed up but not knowing where to go. This is the crisis of modern day socialists.

Admittedly, we are living in an imperfect world. Human beings, who eventually run the political systems they create are flawed beings; resources are not in abundance and so on. Any current systems therefore likely to be flawed and replete with imperfections. As a consequence the capitalism that socialist critics show to have holes. So will the new socialism be. Frontline Socialists would have to tell us how they can design a system that would be perfect in an imperfect world. This they cannot because there is no such world.

As a matter of fact, socialist intellectuals and campaigners have the principal challenge of telling the world that their system will at least improve upon the capitalist system.

The great movement for social reform and social justice began in Europe after the revolution of 1848. The first stages in the evolution of socialism were fairly simple and directed at overcoming the evils of crude capitalism. Charles Dickens' novels were full of such inequities. We saw the rise of Fabianism then.

With Karl Marx and Engels and Lenin and Trotsky socialism took on a more definite theoretical framework. From then on, the common aim of all socialist movements was the nationalization of the "means of production, distribution, and exchange," so that all economic activity might be directed according to a comprehensive plan toward some ideal of social justice. The various socialist schools differed mainly in the political methods by which they intended to bring about

the reorganization of society. Marxism and Fabianism differed in that the former was revolutionary and the latter gradualist. However, their conceptions of the new society they hoped to create were basically the same. Socialism meant the common ownership of the means of production and their "employment for use, not for profit." Inevitably the state and central planning was to play the commanding role.

Marxists hoped that their utopia of a communist state will eventually emerge out of

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the preparatory stage of socialism. Under this finale, everyone would work for "all," or the community and less for their individual selves. The state will take a permanent holiday.

Nevertheless, the practice that followed the successful 'socialist revolutions.' Became a source of acute disappointment. The formally instituted Union of Soviet Socialist Republics was such a bad example that disillusioned all Europe. The state and the bureaucracy that promised to usher in the regime of social justice became corrupt, tyrannical and far removed from the populace. The theory was there, but the practice missing in action. Eventually the Soviet Union was demolished and the bureaucrats that ran it switched over with ease to the new capitalist system. In Russia the capitalist system arrived with no democracy. Putin is a corrupt dictator.

China never took its socialism seriously and it achieved its enormous growth by capitalist investment. Socialists boast of Cuba. For many decades Cuba did very well building up its infrastructure and diversifying its sugar-based economy. Numerous social welfare measures had also been undertaken with success. However, all this was a result of huge Soviet aid that flowed in during the initial decades. Once Soviet inflows were withdrawn Cuba slipped back to poverty so much so that the average monthly income of a Cuban is today less than \$20.00. In 2010 the new President Raul Castro announced, "Either we change course or sink."

It is clear that disillusionment has grown over the promise of socialism. The chief factor is the realization that a socialist organization of production would be far less productive than that of a capitalist one. With its emphasis on individual incentive and free markets capitalism has proved to be a growth engine of huge magnitude. The vast technological achievements of today have been a result of capitalist growth and incentive driven by profit. In socialism, on the other hand, incentives for effort are lacking.

Socialism is based on a flawed psychology of human behavior, namely that human beings would be willing to submerge in a collectivity and work for the collectivity. The psychological root of capitalism that appeals to individual incentive is more natural and realistic. Under socialism, incentives either play a minimal role or are ignored totally. A centrally planned economy without market prices or profits, where property is owned by the state, is a system without an effective incentive mechanism to direct economic activity. By failing to emphasize incentives, socialism is a theory inconsistent with human nature and is therefore doomed to fail.

The resulting deficiency of national income that lack of incentives brings in socialism would lead to little social justice. The enormous growth of social welfare measures in the capitalist countries (Australia, for instance) is due solely to the superior income generative power in such economies. The national pie has to be big enough to make way for social welfare measures that benefit the poorer and underprivileged sectors and the vulnerable. In the absence of income generation what a socialist-inclined country could do is to share poverty among its citizens. We saw this during the socialist days of the Sri Lankan political regimes where queues lined up to pick their portion of poverty.

As admitted above capitalism does throw up its own weaknesses and evils. This is because of the foibles and flaws of human beings-their greed and so on. The question is: are we having options other than bringing in a gamut of laws and enforcement that could bring in controls that can help ameliorate the nasty part of an otherwise superior economic system? The aim of such a legal framework should be to strengthen democratic checks and controls and to keep power with the people.

The strengthening of democratic institutions is a fundamental factor in social justice. Here again socialist ideology with its collectivist and state-dominated central planning is bound to stifle democratic freedoms. Central planning will lead to a new class of feudalized bureaucrats and a new tyranny over the people. A leading theoretician of the British Labor Party, Mr. R. H. S. Crossman, in a pamphlet entitled "Socialism and the New Despotism," records how "more and more serious-minded people are having second thoughts about what once seemed to them the obvious advantages of central planning and the extension of State ownership"; and he continues to explain that "the discovery that the Labor Government's 'Socialism meant the establishment of vast bureaucratic corporations," of "a vast centralized State bureaucracy [which] constitutes a grave potential threat to democracy.

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