

A way out for socialism?

by Bart Nooteboom

150. Equality on the move

published 16-6-2014

There is renewed debate on rising inequality of income and wealth within countries, compared to a rising equality after WWI. This has been demonstrated with statistical data, but there is limited analysis of causes and of how developments may be turned around. I dedicate the following three items to those questions.

There are many forms of (in)equality between people. Pierre Rosanvallon identified two main dimensions.¹

First, a difference between equality of *substance* and equality of *relation*. The first is equality in the form of identity, homogeneity; as having a shared essence, or as being absorbed in one indistinct mass. Examples are race, ethnic group, nation, cultural heritage, 'blood and soil', shared myths of history, and perceived destiny. The second entails equal access to relations between differentiated individuals, without exploitation, domination or exclusion.

Second, the difference between a *static* and a *dynamic* view. In the first equality is seen as already established, in a *given* institution of the social. According to the second, equality is *under way*, in construction and adjustment, in ongoing debate between different perspectives, under changing conditions. Imperfection on the move.

The substantial and static views are often combined, in equality of race or nation, as given and unalterable, to be defended against impurities and change.

National socialism, in particular Nazism, is a salient example. There, homogeneity was naturalized in terms of race, whereby it is taken out of the social and political, with the added advantage of yielding a clear, genetic boundary between 'inside' and 'outside'.

The substantial/static view is a-political in that there is no room for confrontation between different views to arrive at a consensus. No political debate is needed. A single visionary leader claims to embody the common social substance. There may be elections, but they are not intended to reach some compromise between different views, but to distil the essence of the nation, in an 'expression' of the common 'will of the people' in the choice of the leader. This is dictatorship dressed up as democracy.

Western democracy is a salient case of the relational, dynamic view. It is truly imperfection on the move. The present government undoes what the previous one did.

¹ Pierre Rosanvallon, *La société des égaux*, 2011, Paris: Editions Seuil.

Decisions avoid conflict or are compromises of mushrooming complexity. I discussed the imperfections of democracy earlier in this blog, in item 127.

Rosanvallon distinguished between the 'nation-identity' and the 'nation-solidarity'. Solidarity entailed the recognition of differences in access to resources, and the will to redress them and to provide a cover of social risks.

He argued that the joint experience of war, in WW1 and WW2, engendered a sense of solidarity: 'under bombs we are all equal'. A second impulse was the fear of communism, and the perceived political need for social reforms to prevent revolution.

A third impulse was intellectual, in the emergence of social science and the awareness of the individual as socially constituted, autonomous only in a limited sense, and subjected to social risks of birth, illness, and unemployment.

A fourth condition was trust, without suspicion that certain groups in society would misuse social arrangements.

Currently we are thrown back into the conservative-liberal ideology that ruled earlier, in the beginning of the industrial revolution and the rise of capitalism. According to the logic proposed by Rosanvallon, this would be due to the following factors. The solidarity of war has subsided, the threat of communism has eclipsed, mistrust has arisen with respect to outsiders (non-Western immigrants) seen to be preying on social arrangements, and individualism has re-emerged in a new form.

In the face of current failures of capitalism, are we again in a pre-revolutionary period? There is widespread anger and frustration, but wholesale, collective revolt does not arise easily from the new individualism. Old forms of solidarity no longer seem attractive. A new way needs to be found for bringing together self and other.

151. New individualism

published 23-6-2014

In old liberal philosophy, individualism was sought in autonomy and freedom, with self-interest as a guiding principle, as exemplified in mainstream economic theory. However, it also recognized a universal essence of humanity, human dignity and human rights that needed to be protected. There could be quantitative but not qualitative inequality. Here, as in the preceding item in this blog, I follow the analysis by Rosanvallon in his 'Society of Equals'.

That view provided an ideological basis for equal rights and access to resources of the law, election, education, jobs, culture, ... In socialism, it yielded compensation for inequalities of income, housing and opportunity, with redistribution of income and various forms of social security.

But how far should that go? Should children be taken from their families for equal education for all? Should there be compensation for lack of talent?

The regime of 'social justice' is now perceived to have gone too far, producing perverse effects of bureaucracy, inefficiency, misuse of social security, and erosion of personal responsibility, yielding an ethics of dependence and passivity.

Middle classes feel caught between cheating among the rich, in remuneration, profiteering and tax evasion, and cheating among the poor, in parasitic misuse of social security. This corrodes their sense of solidarity.

This explains why present populism is rightist in condemning parasitic misuse of social security at the bottom and leftist in condemning capitalist excesses at the top. Social coherence is no longer sought in social arrangements but in nationalism, in identification by exclusion of immigrants.

Rosanvallon noted that this principle of identification by exclusion also applied earlier. In the US, solidarity among whites was achieved by discrimination of blacks. Perhaps that yielded a lesser need for solidarity by socialism, in the US. The principle also applied to 19th century imperialism and protectionism as a basis for national solidarity.

Present individualism is more radical than the old form. Rosanvallon called it *singularity*. I think it has been engendered by, among other things, Nietzschean philosophy of the will to power, and other existentialist philosophy. The ruling ethos now is one of self-realization and –manifestation, achieving distinction by qualitative difference. The collective is seen as a contemptible 'herd', the institutionalization of conformism and mediocrity.

In Nietzschean philosophy pain and hardship are part of life, not to be relieved by the state but to be accepted as an individual challenge to be overcome, in growth and transcendence of the self.

As noted by Rosanvallon, paradoxically this more extreme individualism has called forth a more extreme claim of equality. It has shifted from equal legal and economic rights to equal rights to distinction, in self-manifestation. A right for everyone to be recognized as a unique, valuable individual, on equal standing with stars, experts, artists, and intellectuals.

Frustrated craving for recognition of distinction is perhaps what drives some young people to take revenge in shooting people.

Clearly, not everyone can achieve distinction by old criteria of accomplishment by knowledge, reason, argument, talent, professionalism and creativity. Therefore, those standards are shoved aside as 'elitist', and are replaced by a self-congratulatory clamour of opinions, feelings, and emotions, and uninhibited exhibitionism on the Internet,

posturing in social media. Distinction by achievement is largely replaced by attention claimed by appealing to emotions and prejudice.

Alternatively, unable to credibly achieve distinction, people seek recognition by proxy, basking in the fame of stars they idolize, in sports, show business, politics and business, which they mirror in supportership and emulation of appearance. Hence the appearance of idols in advertising.

This idolization, in turn, is taken as legitimating exorbitant remuneration of the stars, where the *winner takes all*, shedding any connection with economic rationale.

All this yields the *paradox of Bossuet*: people complain about the consequences (capitalist failures and increasing inequality of income, wealth, tax evasion, favouritism, and rule bending) of causes they endorse (individual self-realization, singularity).²

Perhaps that explains the current phenomenon of passive submission, the astonishing lack of massive, collective revolt. And in the absence of a real threat of revolt, present institutions and habits of injustice will prevail.

152. New solidarity

published 29-6-2014

There is an urgent need to find a new form of solidarity that fits the new, singularistic form of individualism discussed in the preceding item of this blog.

For this, Rosanvallon³ proposed a shift from distributive to relational equality. No longer an equalizing redistribution of outcomes, but giving people equal access to resources and relationships needed for the development of distinctive activity. That is also the *capability* approach advocated by Amartya Sen and Martha Nussbaum.

This is combined with the view that the formation of identity is social. Identity is a relational good that requires sharing with others. Citizens are not only bearers of rights but are defined by their relations with others. Rosanvallon called this *reciprocity*. In essence, what politics is, or should be, is communication and community among people who are different. Difference, not equality, is what makes relationships valuable.

In this blog I have developed a similar argument, on the basis of a constructivist epistemology: people construct their categories of cognition in interaction with others who are different. Differences are needed for learning.

Rosanvallon noted that the ‘micro level’ (my term, not Rosanvallon’s) of reciprocity requires a ‘macro level’ set of enabling institutions (which he called *commonality*). It requires a culture of collaboration in making society, turning difference into a binding, not an exclusionary factor, with a sense of curiosity, a zest for discovery. That requires

² See Rosanvallon, *La société des égaux*, 2011, Paris: Editions Seuil, p. 17.

³ Rosanvallon, *La société des égaux*, 2011, Paris: Editions Seuil.

institutions that prevent differences leading to exploitation, dominance or exclusion. The arena of distinction needs regulatory boundaries of justice.

The ethic of reciprocity requires a mentality of respect and openness, with a mutual extending of benefit of the doubt in case of mishap. I discussed that in my treatment of trust, in this blog (items 68-75). It requires a commitment to fairness, acting not only according to the letter of rules and agreements but also to their spirit. No more cheating, tax evasion, wilful pollution, fake products, and misleading promotion

All this does not eliminate competition and rivalry but, to the contrary, enables it, within boundaries of justice, and combines it with collaboration. This is a field of ongoing tension, in the search for mutuality as well as self-interest. This is enabled and constrained by human instincts for both self-preservation and social legitimacy. Institutions and personal and organizational skills should be developed to moderate between them.

The viability of all this is bolstered by its spiritual as well as its economic advantage.

Concerning spiritual advantage I argued (in items 49 and 55) that the highest form of freedom is the freedom to alter what one wants to want, and one can achieve this only by escaping from myopia and prejudice, and for this one needs openness to opposition by the other.

Concerning economic advantage I argued (in items 57 and 58) that differences between people can also, with the appropriate insights and skills, yield economic advantage, in creating innovation by Schumpeterian ‘novel combinations’.

Collaboration and regard for the other, in empathy and give and take, are desirable for their intrinsic value as well as their instrumental value, for realizing the opportunity for novelty in combining different views and capabilities from different people.

One should not be naive about this. As I argued in this blog (item 75), trust should never be blind and can operate only within boundaries of control. But trustworthy conduct can be rewarded with more limited control, offering a wider scope for action and novelty, as well as lower costs of control. Cheating is punished with the old straightjacket of control.

154. A basic income

published 12-7-2014

For democracy and capitalism to survive, in addition to a change of perspective on equality and solidarity, discussed in the preceding items in this blog, a corresponding system change of the economy is needed, in the distribution of work, income and wealth. For that I recommend the introduction of a basic income (BI).⁴

⁴ In several publications, I argued for a BI in the 1980’s. It was not politically viable at the time. And I am afraid it still isn’t, but I think the time is becoming ripe for it.

A BI is a free, fixed subsistence income for everyone above a certain age. I propose something like this: 1000 euros per month in a developed country such as the Netherlands. On additional income there is a tax, at a flat rate of 20 to 40 %, except for very high levels of profit income for which a rate would apply of 50 to 60%. I claim that the step to a BI is inevitable, sooner or later. Here are my arguments.

Work has been shrinking for a long time, as a result of increasing productivity (reduced cost per unit of production), mostly due to technology and innovation. First in agriculture and then in industry. Until recently it was thought that employment would be maintained in services, where productivity growth was supposed to be small.

However, innovation, especially in information and communication technology, such as the internet, have increased productivity and reduced employment in a whole range of services, especially those involved in the processing of information, such as administration and communication, e.g. in banking, insurance, booking, publishing, media, parts of entertainment, surveillance, security, retailing and physical distribution, etc.

This has produced a polarization of work and income, between highly paid professional and managerial jobs and low-paid, unskilled work, such as cleaning, serving (cafes and restaurants), call centres, harvesting, parts of construction, and parts of care. Especially the middle classes have suffered from this, which contributes to widespread discontent.

A next wave is that of robots, replacing labour in harvesting, driving (automated cars, trucks and airplanes), cleaning, forms of care and nursing, which will eliminate much of the work indicated above.

We should be happy about this reduction of dirty, exhausting, dangerous and boring work. We are in fact unhappy because it threatens employment and income. How much work will be left, how much employment, and what source of income? The BI offers a solution.

Forms of work that will remain are: all forms of culture, entertainment, teaching, forms of care that entail human interaction, social activities (community work, help of elderly and handicapped), day care for children, etc. Ironically, those activities of the future are the ones that are currently curtailed to reduce government spending.

How would a basic income help? One major benefit of it is that it eliminates the 'poverty trap'. Currently, receivers of social benefits (for unemployment, rent, health insurance,...) lose their benefits when they enter employment. It is as if on wage income they pay 100% tax. This keeps them locked into poverty. With a BI they would pay tax on additional income, but only 20-30%.

This gives an incentive to perform the social and cultural services that remain to be done, and do it at a low wage, on top of basic income, which makes those services more affordable. There would no longer need to be a minimum wage.

In addition to that, there would be an incentive for enterprising people to voluntarily leave traditional jobs to become self-employed, since they can fall back on the minimum of the BI when the enterprise fails. Also, the BI would sustain them through the difficult period of developing and introducing innovations, under an uncertainty that discourages suppliers of capital.

I suggest that an impulse of enterprising self-employment is good for the economy, society and culture. Also, it makes room for people who have no aptitude or drive for self-employment, want jobs but can't get them.

From what would a basic income be paid? A number of existing social benefits could be abolished. It would be financed from tax on wage incomes above the BI, and on a high tax on profit income from capital. An immediate objection would be that this would drive investment abroad, thus eliminating that tax base. But wait. The robots to be used are location bound, in harvesting, cleaning, transportation, care, etc. To earn profit from them one would have to pay the local taxes on them. Robots do not earn an income for work but pay for it. They are the slaves of the future.

Finally an ideological argument. Entrepreneurs and firms claim that they are the ones who add value and deserve the reward for it. But what they add value to is the fruit of many generations of genius, sweat, blood and tears. Why should they have an exclusive claim on its fruits? The BI is to be seen as the fruit (called 'social dividend' in the literature) of that common heritage, with equal rights to all.

The advent of robots makes the time ripe for a BI.

192. A way out for socialism?

published 20-4-2015

Socialism seems spent and stale. A new direction is needed. Central notions of individualism, equality and solidarity are up for revision.

Individualism used to be oriented towards autonomy, freedom, and self-interest of the individual, but with a shared responsibility for society

Equality was seen as shared identity, participation in a universal humanity, as a basis for universal rights. There may be quantitative but not qualitative difference. You may have more but you are not better than another.

Solidarity came to mean that everyone had to share in prosperity, in distributive justice.

These were the points of orientation for what Sennett, in his book on cooperationⁱ, called the 'Political Left'. This stands in contrast with what he called the 'Social Left'. The political Left is oriented towards unity in the form of universal, codified equality of position, in top-down solidarity, bureaucratically imposed, with cooperation as a tool.

The social Left is oriented towards diversity combined with inclusion, access to resources, in a variety of capabilities, in bottom-up solidarity, with cooperation as an end.

The Political Left is organized, structured, with a stable script of rule-based order to secure harmony. The Social Left is self-organized, with an orientation to process, allowing for diversity. The first seeks to eliminate risk. The second accepts risk, in the tension of combining collaboration and rivalry, yielding emergence of shifting forms of order. Identity is not seen as given but as in progress. Life without risk is lifeless.

The political Left came to dominate socialism, and fought for the old ideals of equality and solidarity. That led to an excess of social arrangements, and a mentality of dependence, passiveness, pityfulness, and shirking of responsibility. That caused resentment, which corroded solidarity. The market seemed to be the alternative, with Adam Smith's invisible hand of self-interest yielding prosperity. That required socialism to shed its ideological feathers.

But then the market also turned out to be imperfect. It derailed in excesses of cupidity, conceit and remuneration of managers, financial crises, power of money in politics, tax evasion by corporations, destruction of the environment, a widening gap between rich and poor, and social distress in low wage countries. And then socialism stood empty-handed.

Rosanvallon proposed a shift of the concepts of individualism, freedom, and solidarity, as discussed in items 150-162 of this blog.ⁱⁱ

Equality made way to diversity. Individualism became oriented to self-realization of the unique individual.

Self-realization turned into narcissism, wanting to see oneself mirrored in others, rather than recognizing their difference as interesting and a source of insight.

Responsibility for society crumbled. Rosanvallon called this 'singularity'. Sennett talks of 'withdrawal' from society and cooperation. That further contributed to the decay of solidarity.

Fundamental for a new notion of solidarity is the view that for their development people need different others to learn from opposition to one's own prejudice. That requires openness, reciprocity, and not only toleration but also appreciation of difference, as Sennett argued in his book and as I have argued in this blog.

Equality not of identity but of relation. Not a redistribution of outcomes (income, capital), but equal access to resources of knowledge, work, influence, and networks.

Does all this perhaps yield a basis for a re-orientation of socialism? It could be politically viable. Solidarity as reciprocity yields a connection with Christian-democrats, and a challenge to neo-liberalism. Individualism as diversity and equality not in outcomes but

in access to resources connects with liberalism. Identity as change is a challenge to conservatives. Also to socialism, to extricate itself from entrenched rights and positions. Acceptance of change and risk, not to play safe too much. That connects with old instincts of progressiveness. And it yields scope for entrepreneurs, an electorate neglected by socialism.

It will be difficult to get risks and inequality in outcomes accepted. One must determine the limits and conditions for them. With a basic income, for example, as I proposed in item 154 of this blog.

226. A basis for independence

published 15-11-2015

An old debate on basic income is being revived, in Europe. In item 154 of this blog I discussed the arguments and uncertainties involved, and I will not repeat them here. The arguments are both social and economic. Here I want to add a 'deeper', philosophical argument.

In different ways, Nietzsche, Heidegger, Foucault, Derrida, Lacan, and Onfray strove to liberate the individual from the hold of social systems. Unleashing will to power, Nietzsche proposed. Getting away from 'das Man', Heidegger said. 'Creating one's life as a work of art', Foucault proposed. Sculpt yourself, Onfray proposed. Deconstructing the established order, Derrida said. Stepping out into 'jouissance' of reality outside the symbolic order, Lacan urged..

In the preceding item I offered entrepreneurship as an opening for rebellion, in creative destruction, as an element of capitalism. But there are limitations to this. I mentioned that corporate capitalism tries to muscle out genuine entrepreneurship. But also, not all people have the guts and the stomach for it. And is the breathless momentum of creative destruction to be maintained continually? Is there no need for stability next or in addition to change? I will later dedicate a series of items to that question.

A basic income provides a basis for independence and personal agency. It is an unconditional cash benefit for all people above a certain age, regardless of further income or capital. It frees recipients of social benefits from the 'poverty trap': the fact that any additional earned income is taxed for 100% (surrendering the benefit when finding work). The scheme may seem off the wall to many readers, and unrealistically expensive, requiring an unacceptable rise of taxes. That is not necessarily the case, but I will not argue that here (see item 154).

In the present context the point is that a basic income strengthens the power of a worker with respect to his/her employer, since in case of injustice or mistreatment he/she can exit and fall back on the basic income. It improves the worker's bargaining position by offering a basis for independence.

One might argue that this is a double-edged sword, since it also makes it easier for employers to fire employees, easing the qualms about sending someone into unemployment. But there seem to be few such qualms anyway, and presently unemployment benefits already take away any qualms that may be there.

Basic income also facilitates entrepreneurship as an escape, since it provides the funds to tide over the difficult period of setting up an enterprise, without income from work, and difficulties in obtaining funds from banks or investors before one has developed a demonstrably viable prototype of a new product or service.

It enables exit as an artist, or to provide unpaid or low-paid social support that is no longer offered in public health.

Another economic point that I did not mention before is the following. After digitalization of music, books and film, it has become hard for their makers to appropriate the returns from them as income. As more activities become digital, this phenomenon will spread. To maintain the production of such things the makers need another source of income. Basic income may become inevitable for that reason as well.

To deepen the philosophical argument, I go back here to the tension between ethics and justice discussed in item 224. A basic income yields more scope for a Levinassian ethic of dedication to the humanity, the ‘face’ of the other, with less pressure for exploitation and rivalry, while it is also an item of justice, in its universal application to all, as an unconditional benefit.

As an element of justice it has also been justified as a ‘social dividend’, a return on the various forms of capital that have accumulated, as a shared heritage, over many generations, at the cost of much blood and toil. Think of the rule of law, democracy, culture, science, technology, and physical infrastructure of roads, railways, etc. Entrepreneurs pride themselves on their achievements as if those were entirely their own, while in fact they have built their success on leveraging this joint heritage from which others also deserve a return.

ⁱ Richard Sennett, *Together; The rituals, pleasures and politics of cooperation*, Penguin, 2013.

ⁱⁱ Here I use the book, ‘the society of equals’ by Pierre Rosanvallon: *La société des égaux*, 2011, Paris: Editions Seuil.