

Interrogating Inequality

Essays on Class Analysis, Socialism and Marxism



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VERSO
London · New York

Why Something like Socialism is Necessary for the Transition to Something like Communism

One of the hallmarks of much contemporary Marxist theory has been the dedicated attack on dogmatism. Theoretical positions are expected to be defended by systematic arguments and evidence, not by their unreflective faithfulness to some orthodoxy or classical text. Virtually all concepts and theses in Marxism have thus been subjected to intense scrutiny and reconstruction.

It is notable in these terms that one thesis has remained virtually untouched by this broadly self-critical stance, namely the thesis that socialism, understood as a society within which workers collectively own the means of production, is the necessary condition for human liberation. To be sure, there has been an intense Marxist reevaluation of "actually existing socialism" both in terms of the historical record of post-capitalist societies and in terms of the theoretical logic of the concept of socialism. But to the extent that these reevaluations continue to see themselves as Marxist, they have not questioned systematically the necessity for some kind of socialism. Indeed, a good case can be made that the only thesis that in practice unites all theorists who consider themselves Marxist is the claim that socialism of one sort or another is necessary and desirable.

Robert Van der Veen and Philippe Van Parijs (hereafter VP) challenge this thesis in "A Capitalist Road to Communism."¹ What is more, they do so in the name of the classical Marxian vision of communism: true communism as defined by Marx, they argue, can develop within the institutional structure of capitalist property relations without requiring any form of state or social ownership of society's productive capacity. Whether or not in the end one finds their arguments and proposals compelling, their article is an important contribution to the agenda of rethinking basic Marxist concepts.

1. Robert Van der Veen and Philippe Van Parijs, "A Capitalist Road to Communism," *Theory and Society*, vol. 15, no. 5, 1986.

In this chapter, I argue that some form of social ownership of the principal means of production is essential for the development and reproduction of communist social practices. Indeed, I show that, in spite of their own arguments, the models that VP propose implicitly assume the existence of significant elements of public or collective ownership.

A Capitalist Road to Communism: the Basic Argument

The core of the VP argument is as follows: communism, following Marx, is defined by the distribution principle "From each according to his/her abilities, to each according to his/her needs." This implies, VP argue, "that the social product is distributed in such a way (1) that everyone's basic needs are adequately met, and (2) that each individual's share is independent of his or her (freely provided) labor contribution" (p. 636; *A Capitalist Road*). In contrast, socialism is defined by VP as:

a society in which workers collectively own the means of production – and in which therefore they collectively decide what these should be used for and how the resulting product should be distributed, namely according to the principle "To each according to his labor." (p. 636)

Stated in somewhat different terms, they write:

socialism, as defined, implies that exploitation is abolished – workers appropriate the whole of the social product – while communism, as defined, implies that "alienation" is abolished – productive activities need no longer be prompted by external rewards. (p. 636)

This definition of communism is a considerably thinner one than is usually found in Marxist discussions. Typically when Marxists talk about "communism," the concept also entails collective ownership of the means of production and some kind of associated collective planning of social and economic life. VP wish to separate such institutional specifications from the distributive principle of communism in order to see if the latter requires the former. They believe – I think correctly – that the normative ideal represented in Marx's concept of communism (the abolition of alienation) is captured by the distributive principle; collective institutional arrangements are to be defended to the extent that they facilitate this ideal, not for their own sake.²

2. Although VP state that communism as they will use the term does not entail collective ownership of the means of production, they do say in note 3 that it "does entail collective ownership of the social product by society as a whole." It should be noted that this statement, in contrast to the characterization in the main body of the text, also implies the elimination of capitalist exploitation in communism. Communism thus implies the abolition of both exploitation and alienation.

The basic issue that VP address is whether communism understood in this way can develop within capitalist society without passing through the "stage" of socialism. Is a "capitalist road" to communism possible? It is important to be clear on precisely what question they are attempting to answer: they are not asking the question of whether socialism is the optimal route for accomplishing communism, nor are they addressing the question of whether socialism is superior to capitalism for reasons other than its instrumental value in furthering communism. While these are important issues, VP are investigating the more restricted problem of the necessity of socialism for communism and the possibility of communism developing within capitalism.

To demonstrate this possibility, they face two tasks. First, they must examine the typical arguments advanced by Marxists for why socialism is necessary for communism, and second they must propose an institutional mechanism through which communism could develop within capitalism.

VP examine two basic arguments that are frequently advanced for why socialism might be a necessary means for the emergence and development of communism. First, Marxists often argue that mature capitalism blocks the development of social productivity whereas socialism enhances productivity; second, they sometimes argue that socialism is necessary for the formation of altruistic personalities that are themselves necessary for a viable communist society. Although VP agree that a continual rise in social productivity is essential for the advent of communism, they demonstrate that the conventional arguments that capitalism inevitably fetters the development of the productive forces are flawed.³ They criticize the altruism argument by arguing that altruism is not in fact an essential cultural norm for the viability of communism (as defined above) and thus, even if it were true that socialism fosters altruism (which they doubt), this would not be a persuasive argument for the necessity of socialism.

If it is correct that socialism is not a *necessary* means to communism, the question then becomes whether institutional innovations within capitalism can be introduced that allow for the development of communism within capitalist society itself. The heart of the VP proposal to accomplish this is very simple: every person in a capitalist society is given an *unconditional* grant of income, referred to as a "universal grant," that is sufficiently high to allow each individual to live at a socially acceptable

3. Even if social productivity would indefinitely increase under capitalism, it could still be that it would develop more rapidly and be deployed less wastefully under socialism. Although this might mean that socialism was a more efficient vehicle for creating this precondition for communism (relative abundance), it would still not be an essential vehicle, and this is all that VP try to demonstrate.

standard of living (i.e., a standard of living that covers basic needs). Such a universal grant implies that it is basically a free choice on the part of each individual whether or not to work for additional income. This choice would depend upon each individual's preferences for additional consumption, work, and leisure.

If the universal grant is sufficiently high to cover basic needs, then immediately one of the central goals of communism is achieved: work is no longer a necessity for survival of individuals, but becomes a free choice, and distribution is at least partially geared toward needs. In a sense, then, the VP model implies that a given society would be divided into two distinct segments: a communist segment of unalienated activity freely chosen by each individual, and a capitalist segment of wage labor and capitalist investment. Labor is recruited from the communist sector to the capitalist sector for productive purposes, and part of the surplus generated within the capitalist sector is redistributed to the communist sector to sustain the "realm of freedom." If the dynamics of a capitalist society with an unconditional universal grant are such that over time the level of the universal grant can rise, then it will also be true that over time the degree to which the society is communist could also increase.⁴ Although VP do not believe that it is likely that a society could ever be one hundred percent communist – i.e., all distribution could not be according to need – they do believe that communism can function as a regulative ideal, and that communist practices can become unequivocally predominant within a society.

One of the obvious issues with this model is how the universal grant is to be financed. VP explore a variety of taxation schemes and criteria, and they demonstrate, *given certain assumptions*, that the economy will continue to grow even with the redistributive taxes needed for the scheme.⁵ What is more, they show that there will be considerable pressures on the economy to grow in a particular manner: to favor selectively innovations that eliminate unpleasant work. As they put it, "workers' unconditional entitlement to a substantial universal grant will simultaneously push up the wage rate for unattractive, unrewarding work (which no one is forced to accept in order to survive) and bring down the wage rate for attractive, intrinsically rewarding work . . ." (pp. 645–6). This kind of technological bias, in turn, creates the possi-

4. VP do not actually argue that the "communistness" of the society will necessarily increase under such circumstances, but just that it could increase. It would remain a *political issue*, rather than an issue of economic feasibility, whether people would opt to expand the realm of communist activities or not.

5. The technical details of the argument are presented elsewhere, in Robert J. Van der Veen and Philippe Van Parijs, "Capitalism, Communism and the Realm of Freedom. A Formal Presentation," Louvain-la-Neuve Working Paper no. 8501, 1985.

bility for a smooth, continual development in the direction of communism. While the extent to which rises in productivity will be translated into higher levels of the universal grant would still be a fundamentally political question, the material preconditions for such increasing redistribution are generated within capitalism itself.

A Capitalist Road to Communism: a Critique

Is this scenario for the emergence of communism within capitalist society a plausible one? Can capitalism and communism be made compatible principles of economic organization and social life? We will first look at the problem of the economic plausibility of a communism-inducing universal grant system and then briefly turn to the issue of political plausibility.⁶ Of course, it is crucial whether the proposal for a communism-inducing universal grant is politically feasible – that is, whether such a proposal could ever gain sufficient mass support to be legislated or whether the bourgeoisie would mount such intensive political opposition, including perhaps a violent counter-revolution, to make it impossible. However, unless the proposal is economically viable, there is little point in exploring the problem of political feasibility, and thus the economic plausibility has a certain logical priority.⁷

Economic feasibility

The analysis of the universal grant presented by VP is based on one critical assumption. "Let us suppose," they write, ". . . that technology, stocks and preferences are such, in advanced capitalist countries, that it is possible to provide everyone with universal grant sufficient to cover his or her 'fundamental needs' without this involving the economy in a downward spiral" (p. 645). There are three elements in this assumption: claims about technology, stocks, and preferences. The first two of these pose no serious difficulties: it is indeed likely that the existing technical level of production combined with the accumulated means of production

6. I will use the term "communism-inducing universal grant" to indicate a system of unconditional universal grants sufficiently generous to set in motion the dynamics outlined by VP.

7. In any event, it is important to keep in mind that the point of the present analysis is to assess the plausibility of the VP proposal for a "capitalist road to communism" relative to the classical Marxist argument for a "socialist road to communism." Because it must be recognized that scenarios for socialist revolutions also do not have a great deal of political plausibility in the advanced capitalist countries, it is not a very compelling criticism of the VP model that it is politically infeasible.

are quite sufficient to provide a sufficiently high universal grant to set in motion the development logic of the model.

But what about “preferences”? The preferences of two categories of actors are essential for the model to work: those of wage-earners (workers) and those of capitalists.⁸ If, for example, all wage-earners would prefer leisure over labor at the level of the universal grant and could not be induced to work at any wage, then the system would collapse. This, however, is an implausible assumption. It is not unreasonable to assume that preferences of workers would be sufficiently varied that some would opt for zero-paid work and some would opt for differing amounts of paid work at any level of the universal grant.

In the case of capitalists, on the other hand, it is much more problematic to imagine a set of preferences compatible with the logic of the model. VP really only consider one aspect of capitalist preferences: the preferences for savings versus consumption. If this were the only preference that mattered, then VP would be on relatively safe ground, for there is no obvious reason why the desire to save and invest should necessarily decline as the social dividend rises. Of course, investments might decline for this reason – capitalists might prefer to consume a higher proportion of their total income if the expected returns on their “abstention” declined due to taxation; but this is not logically entailed by the sheer fact of their being capitalists.

Capitalists, however, have other preferences. In particular, they want to get the highest possible return on their “savings” from current income (investments). If their preferences are such that they prefer future higher consumption over present lower consumption and thus choose to save, they would also want to maximize their returns to that abstention. VP certainly assume that capitalists are rational maximizers in this sense.

There are basically two ways in which we might expect the high level of taxation implied by the VP model to affect investments of profit-maximizing capitalists: first, it could affect the propensity of capitalists to save versus consume, and second, it could affect the geographical location of their investments. While there is no logically necessary reason why high taxes (depending upon the form of taxation) would reduce savings, is it plausible that they would have no substantial effect on the location of investments? In other words, is the preference for profit-maximization really compatible with the VP model?

8. At the level of abstraction at which the VP model is elaborated, the only classes are workers – understood as all wage-earners – and capitalists. While for some purposes, particularly the analysis of the political feasibility, we will have to introduce class-like distinctions within the wage-earner category, in general I will assess their arguments at this “mode of production” level of abstraction.

There are some conditions, in fact, in which profit-maximizing preferences of capitalists would be compatible with the model. If, for example, the proposal for a universal social dividend were enacted everywhere in the world simultaneously, then the behavior of a profit-maximizing capitalist would be unaffected by the scheme.⁹ Or, alternatively, if there were substantial obstacles to capitalist investment in areas without the universal grant – because of such things as political instability, or inadequacy of skilled labor, or some other factor – then again the introduction of a universal grant would not necessarily dramatically affect decisions about investment locations.

However, if these conditions were not present, why would capitalists continue to invest in the regions with universal grants and high taxation? Imagine for a moment that the proposal for a universal grant were enacted in a single city: all residents of the city are given an unconditional annual income sufficient to live a decent, respectable life. At the time of enactment of this proposal, the level of production within the jurisdiction of the municipal government is sufficient to provide for such a standard of living. What would happen? Two movements are likely: first, one would expect a dramatic migration of people from outside the city into the city; second, one would expect a dramatic migration of capital (and of high-paid managers and capitalists) out of the political jurisdiction of the city’s taxation authority. At the level of the nation state, the first of these problems is solved by citizenship laws and border controls. But given the transnational organization of capitalist investment in the world today, it would be very difficult to imagine a feasible solution to the exodus of capital.

For the sake of argument, however, let us imagine that a political regime is able to solve this problem. That is, the state establishes effective “citizenship” status and border controls on capital, thus preventing its flight. What does this imply for the VP model? Above all, it implies that we no longer have, properly speaking, a “capitalist road” to communism: the private character of the ownership of capital would be severely compromised if a public authority prohibited capital flight. One critical aspect of the property rights of capitalists – the right to invest and disinvest where they please – would have been nationalized. To be sure, on historical standards this would be a very weak form of “socialism”: enterprises would be able to retain their profits and choose between investments and consumption, private owners would continue to receive a private return on their investments, etc. But the mobility of capital would be highly restricted and publicly controlled.

9. That is, the tax structure that accompanies the universal grant would not affect decisions about where to invest.

Our first general conclusion, then, is that even with the most benevolent economic assumptions (especially the assumption that the propensity of capitalists to save or invest is unaffected by the universal grant), "weak socialism" is required for the VP model to work. This, however, might not be considered too damaging to the spirit of the VP argument, because weak socialism retains many of the central features of capitalism. While effective restrictions on the mobility of capital would require a fairly strong, centralized administrative apparatus, it would not require central planning, centralized allocation of investment funds, and other attributes of socialized ownership of the means of production. What we have so far, therefore, is perhaps an argument for a "quasi-capitalist road to communism," but not an argument for the classical Marxist view of the necessity of a "socialist road."

When we examine the problem of political feasibility, however, the arguments for the necessity for socialism become considerably stronger.

Political feasibility

The problem of political feasibility can be decomposed into two issues: the political feasibility of establishing a system of communism-inducing universal grants in the first place, and the political feasibility of reproducing such a system of grants over time.

In terms of the problem of initially establishing a system of communism-inducing universal grants. I think that it is difficult to argue that socialism is politically more feasible. The political obstacles to both visions of social change are considerable.

The political obstacles to socialism are obvious and familiar: on the one hand, capitalists would mobilize considerable political force to oppose any serious move to socialize the principal means of production; on the other hand, given the record of bureaucratically centralized state socialist economies, workers in advanced industrial capitalism are very suspicious about the desirability of socialism and unwilling to engage in the necessary struggles for its realization.

The political obstacles to a proposal for sufficiently generous universal grants to make work a free choice are also substantial. Although capitalists might not be as militantly opposed to a universal grant scheme as they would be to socialism (because private profits would be retained), nevertheless they would generally oppose such proposals strenuously, particularly if the scheme were coupled with the necessary restrictions on capital mobility to make the proposals viable. Workers, on the other hand, are likely to support such proposals even less than they do socialism. In the case of socialism, the predominant belief of workers is probably skepticism: socialism is a good thing in theory, it just doesn't

work very well in practice. In the case of a communism-inducing universal grant system, on the other hand, workers are likely to oppose it as being intrinsically undesirable. Given how vulnerable even modest welfare state proposals are to the accusations that people on welfare "live off the backs of working people," it is hard to see how a universal grant system would not be viewed as exploitative by workers. It is difficult to imagine a program of generous universal grants gaining sufficient mass support to be enacted over the opposition of capitalists.

Given that socialism does not particularly fare better than the universal grant proposal in terms of the political feasibility of initial establishment, let us assume that these obstacles can be overcome in both cases. What about the political feasibility of reproducing over time a system of universal grants? In this case it seems to me that socialism is clearly more viable.

Once established, a system of communism-inducing universal grants within capitalism would be extremely vulnerable politically. Above all, because under the assumptions of the VP model, the decision to invest or not to invest (consume or hoard) would remain privately controlled, capitalists would always have the possibility of using an investment strike as a *political* weapon against the system. In our discussion of economic feasibility, I argued that on the basis of economic rationality alone there would be no necessary reason to assume that capitalists would reduce their propensity to save or invest in the face of a program of universal grants. On political grounds, however, they would have good reason to do so. Of course, it would remain a political problem for capitalists whether sufficient class solidarity within the capitalist class could be achieved to make an investment strike politically effective. However, given the stakes in the conflict and the potential benefits to capitalists if the universal grant system were eliminated, it seems likely that a serious investment strike would occur and that it would quickly destroy the viability of the program. Even if we are willing to assume that the bourgeoisie could not use its economic resources as a lever for some kind of military counter-revolution against a system of communism-inducing grants, they would be in a position to sabotage sufficiently the functioning of the system as to render it unviable.¹⁰

How could this be avoided in a system of universal grants? One possibility is that state controls over investments would be sufficiently

10. Marxists have also argued, of course, that socialism is needed to block the possibility of military counter-revolution as well. Socializing the principal means of production is the essential condition for the "dictatorship of the proletariat" without which the bourgeoisie will eventually attempt to restore its power through violent means. In the present discussion I will not explore this side of the problem.

strong and the working class would have sufficiently strong political control over the state that such economic sabotage could be effectively blocked by state intervention. We have already noted that the state must be strong enough to control effectively international flows of capital if the VP model is to be economically feasible. Perhaps the state could also be strong enough to block investment strikes. For example, the state could impose a tax rate of one hundred percent on incomes above a certain amount unless those incomes were productively invested.¹¹ The threshold could be set high enough to insure an incentive to invest (i.e., there would still be personal income returns on investments), but low enough to guarantee an adequate volume of investments. What would this imply for the VP model? It would imply, I suggest, that ownership of capital was no longer really private. Capitalists would have lost not only the right to move their investments where they like but also the right to choose between investment and consumption. To be sure, they would still have rights to some private income returns on investments and rights to choose in what to invest, but this begins to look much more like a compensation system for nationalized property with high levels of enterprise autonomy than the maintenance of genuine capitalist property itself.

The Necessity of Socialism for the Development of Communism

In this discussion we have distinguished four aspects of ownership of the means of production: the right to decide *where* to invest, the right to decide *whether* to invest, the right to decide *in what* to invest, and the right to a *personal income* from those investments. In a purely capitalist society, all four of these aspects of ownership are private; in a socialist society as traditionally conceived in Marxism, all four would be collectively controlled. What I have argued so far is that for economic reasons, the first of these four aspects would have to be controlled collectively for the VP model to work, and that for political reasons the second would have to be socially controlled as well. In effect, therefore, I have argued that even if we accept that a system of unconditional universal grants could form the basis for the development of communism, the viability of such a system is incompatible with capitalism and requires at least two of the basic elements of socialist property relations.

It is one thing to demonstrate that a "capitalist" road to communism is not viable, and another to argue for the necessity of a full-fledged

11. Of course, the tax rate would not necessarily have to be confiscatory to induce investments. Precisely what rate of taxation would be needed to block the potential for an investment strike would be as much a political as an economic question.

socialist road. Does the development of communism as defined by VP require that the third and fourth aspects of ownership of the means of production also be collectivized? Is it plausible that communism could grow and flourish in an economic system within which there was systematic public control over capital mobility and the amount of investment, but there continued to be substantial private income returns from investments and private control over what to invest in? As in our earlier discussion, the issue here is not whether socialization of these two aspects of ownership would be a good thing in and of itself, or whether it would provide a more efficient vehicle for developing communism, but whether it is necessary for the development of communism.

From a strictly economic point of view, I do not see why such a system of mixed property relations would be inconsistent with the growth of a communist sphere of social life based on a universal grant.¹² Assuming the political stability of the system, individuals with sufficient incomes would still have incentives to make investments, they would experience the kinds of pressures for labor saving and work quality enhancing innovations as described by VP, and they would be prevented from sabotaging the reproducibility of the system through capital flight and disinvestment.

Politically, on the other hand, it is much less clear that this kind of mixed system would in fact have the necessary stability. Classical Marxism frequently used the term "socialism" and "dictatorship of the proletariat" almost interchangeably. What this identity expressed was the critical importance for the working class to become the "ruling class" politically if capitalism was to be eliminated in a socialist society. What does this mean? The expression "ruling class" is fraught with ambiguities. Classes as such do not "rule"; organizations – typically parties and states – that represent the interests of classes through one mechanism or another actually do the ruling. The issue, then, is whether under the conditions outlined above the structural basis for working-class power could be such that parties representing the working class could effectively and stably control the state.¹³ For a system of communism-inducing

12. The concept of a "mixed economy" usually refers to an economy that combines a capitalist sector and a state sector. In this case we are talking about an economy within which aspects of capitalist and socialist property relations are fused within each enterprise. This corresponds to what I have elsewhere referred to as an "interpenetration of modes of production." See chapter 6 above.

13. The analysis of "ruling classes," therefore, implies a distinction between their *structural power* – the power derived from their position within the economy – and their *instrumental power* – the power exercised by organizations that attempt to represent the interests of the class. The general Marxist claim is that structural power, in this sense, constitutes the basis for instrumental power (although instrumental power may have contingent properties that give it some autonomy from structural power).

universal grants to be reproduced over time, the working class (defined broadly as all people whose income does not come from the ownership of capital) would have to have sufficient political power to block both capital flight and disinvestment. For all practical intents and purposes this would have to be a "dictatorship" of the working class (wage-earners) – the working class would have to be able to dictate basic investment policy to the capitalist class.¹⁴

The question thus becomes: could the working class in a system of mixed property relations as described above be a ruling class politically? It is possible, I think, to give arguments to both sides of this issue. On the one hand, the fact that the subsistence of wage-earners is no longer contingent upon the sale of labor-power would give workers considerably greater structural power vis-à-vis capital than they have in capitalism. In capitalist societies, the link between income and employment acts as a powerful constraint on workers: the "reserve army of labor" puts a downward pressure on wages and the threat to jobs of capital mobility and disinvestment puts a damper on militancy. This structural vulnerability of workers is translated into political weakness of working-class parties.¹⁵ A system of universal unconditional income grants combined with effective restrictions on capital mobility and disinvestment would structurally shift the balance of power between capitalists and workers in the direction of the working class. This structural shift in the balance of power, in turn, would give working-class political parties considerably more room to maneuver than in capitalist societies and thus might provide the basis for more stable and consistent political rule.

This, however, is only one side of the story. That capitalists would continue to control important aspects of basic investment decisions (in particular, what to produce and where to produce within the political jurisdiction of the universal grant) and would continue to appropriate significant amounts of the social surplus (through privately appropriated returns on investments), would still leave the capitalist class with considerable structural power. The continued existence of a capitalist class

14. Obviously, there is no necessity for such a state to be dictatorial in the sense of undemocratic and authoritarian, but it would have to be a strong state capable of pervasive economic monitoring and interventions, and it would have to have a strong political control by working-class parties for such interventions to reproduce effectively the "road to communism."

15. Of course there are considerable variations across capitalist societies in the strength of working-class parties, but all working-class parties in capitalism suffer from this fundamental vulnerability of workers rooted in the structural power of capital. The result is that all working-class parties face unavoidable strategic dilemmas, to use Adam Przeworski's formulation ("Social Democracy as a Historical Phenomenon," *New Left Review*, no. 122, 1980, pp. 27–58), which push them in the direction of supporting reforms that strengthen capitalism.

would also pose a constant ideological challenge to the rationale for the universal grants and the rationality of the system of coercive controls on investments necessary for the reproducibility of the system. Furthermore, the differentiation of the population between those living in the "communist sphere" and those working for a wage would potentially produce deep political divisions among noncapitalists. It is easy to imagine coalitions forming between skilled employed workers – workers who opt for employment even given the universal grant because the demand for their skills gives them a high wage component to their income – and capitalists against the communist sector in the name of economic rationality and justice. Given that the capitalist class would, because of its structural position, have considerable resources available for the task of coalition building, this could jeopardize the political stability of the system.

I do not know what the net effect on class power of these tendencies would be. While it is conceivable that the working class under these conditions might have sufficient political strength to maintain effective rule in spite of continual capitalist opposition, it seems more likely that the political conflicts generated by this combination of capitalist, socialist, and communist elements within the system of production would ultimately undermine the viability of the universal grant system itself. A full socialization of the means of production – socializing controls over what to produce and eliminating significant private income returns to investments – would stabilize the structural basis of working-class political rule and thus enhance the possibility for the growth in communist practices.¹⁶

Universal Grants as a Socialism-inducing Reform

VP introduce the concept of unconditional universal income grants in order to argue that it is possible to build communism within a capitalist society. My basic argument is that the dynamics of such a combination of social forms would quickly undermine the viability of the universal grant system itself, and thus communism would not in fact develop significantly within the interstices of capitalism as projected by the VP model.

The question still remains, however, whether the proposal for unconditional universal grants is a progressive reform in and of itself. In

16. It should be noted, as VP emphasize, that even in socialism there is no inevitability for a development of the communist sphere; it would still be a political choice on the part of the population the extent to which the universal grant would grow relative to earned income.

particular, even if it is illusory that communism could directly be built within capitalism through the mechanism of such a system, it could be, contrary to the vision of VP, that an unconditional universal grant system might facilitate the emergence of socialism.

The progressiveness of reforms in capitalism can be assessed in terms of three principal criteria:

1. Does the reform in and of itself improve the lives of those people who suffer most under capitalism?
2. Does the reform increase the power of workers relative to capitalists?
3. Does the reform increase the likelihood of more progressive transformations in the future?

In terms of all three of these, a serious program for unconditional universal grants would be desirable. In particular, on the basis of each of these criteria, such grants are a progressive reform of redistributive programs based on means tests.¹⁷

Unconditional universal grants undermine the stigma associated with income-test based public welfare programs, and this in and of itself is a significant benefit to the poor. In the United States a majority of people eligible for welfare do not even apply for it because welfare is viewed as degrading. Furthermore, because everyone receives the grants in a universal system, they are less likely than income-tested programs to polarize people between a welfare underclass and a working class, and this means that in all likelihood the level of real redistribution in a universal system will be higher than in a targeted means-tested system. The fact that the "welfare backlash" of recent times has generally been sharper in countries like the United States in which universal programs are minimal compared to countries like Sweden within which many redistributive programs are universal reflects the fact that means-tested redistribution is more divisive than universal programs.

The implications for power relations also favor universal grants schemes. As already indicated, universal grants are likely to increase the degree of unity within the working class (relative to means-tested programs), and in and of itself this would increase working-class power relative to capital. Beyond this indirect effect, universal grant programs of even modest proportions would also tend to directly increase the power of workers relative to capital. By giving all workers a steady flow of income independent of their wages, individual workers would become

17. "Means-tested" systems of redistribution are based on programs within which benefits are contingent upon satisfying some economic criterion, typically an income criterion.

less vulnerable to the wage contract and thus, all things being equal, be in a better position to engage in collective struggles.

Whether a program of unconditional universal grants would contribute to a trajectory of progressive reform is less clear than its immediate effects on general welfare and class power. However, if the arguments of this chapter are correct, then it would be expected that a program of universal grants might help to reveal the necessity for increasing the level of public constraint on capital mobility and private investments. At a minimum, therefore, the introduction of universal grants within capitalism would probably contribute over time to the development of a strategy for the kind of "mixed road" discussed above, where public controls on investment are combined with private incentives to invest. Such a strategy, in turn, by clarifying the limits of reform within capitalist property relations, could itself contribute to putting socialism more centrally on the agenda of politics.

The basic conclusion of the analysis of this chapter is that for a combination of economic and political reasons, a capitalist road to communism is implausible, and for political reasons a socialist road is more likely to succeed than the mixed road. The pure capitalist road is impossible because capital flight would immediately undermine the economic base of the communism-inducing universal grant proposal, and because even if this problem were solved, the political use of disinvestment would make the system unreproducible. The mixed road, combining elements of capitalist and socialist property relations, is economically feasible, but would be politically precarious. Only in a socialist society would the political conditions for a stable growth of the universal grants be secure enough to make movement along the road to communism likely.

This general conclusion is based on what is a largely unargued assumption present throughout this chapter, namely that socialism itself is unambiguously compatible with the emergence and development of communism – that collective ownership of the means of production by workers is compatible with a gradual growth in the "realm of freedom," in the predominance of distribution according to need. Following VP, I acted as if the only issue were the extent to which capitalism might also be so compatible, and if not, the extent to which certain aspects of capitalism might be compatible in what I have called the mixed road.

The assumption that socialism is compatible with the growth of communism rests on two more basic claims: first, that eliminating capitalist property relations does not necessarily produce authoritarian-bureaucratic forms of the state and politics, and, second, that in democratic socialism productivity will continue to increase (for without

increasing productivity, expanding the sphere of distribution according to need becomes very problematic). While I will not attempt to defend them here, I believe both of these claims to be true. If either of these assumptions is false, however, then the only feasible road to communism, no matter how precarious it might be politically, may be the quasi-capitalist/quasi-socialist mixed road described above, a road that combines elements of substantial state control over investments with capitalist economic rationality.

PART III

Marxism
