

Socialism as Social Empowerment *

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Throughout most of the 20th century, socialism constituted the central ideological matrix for thinking about alternatives to capitalism. Even in settings where socialism as such was not an immediately feasible political goal, the idea of socialism helped to give political direction to struggles against capitalism.

Things have changed. Now, at the beginning of the 21st century, the socialist project no longer has much political credibility. This is not because people have universally come to view capitalism as a benign social order within which humanity would flourish. Rather, it is because the particular institutional arrangements that have come to be associated with socialism are seen as incapable of delivering on their promises. Triumphant Capitalism declares “There is No Alternative”. Denouncing capitalism seems to many people a bit like criticizing the weather. Perhaps we can patch the roof to keep out the rain, but there is not much point in railing against the storm itself. Instead of being viewed as a threat to capitalism, talk of socialism now seems more like archaic utopian dreaming, or perhaps even worse: a distraction from dealing with tractable problems in the real world.

Yet, ironically, we also live in a period in which many of the traditional socialist criticisms of capitalism seem more appropriate than ever: inequality, economic polarization and job insecurity in many developed societies has been deepening; capital has become increasingly footloose, moving across the globe and deeply constraining the activities of states and communities; giant corporations dominate the media and cultural production; the market appears like a law of nature uncontrollable by human device; politics in many capitalist democracies is ever-more dominated by money and unresponsive to the concerns and worries of ordinary people. The need for a vibrant alternative to capitalism is as great as ever.

In this paper I want to propose a general way of thinking about socialism as an alternative to capitalism. It works off of the observation that both social democracy and socialism contain the word “social”¹. Generally this term is invoked in a loose and ill-defined way. The suggestion is a political program committed to the broad welfare of society rather than the narrow interests of particular elites. Sometimes, especially in more radical versions of socialist discourse, “social ownership” is invoked as a contrast to “private ownership,” but in practice this has generally been collapsed into state ownership, and the term social itself ends up doing relatively little analytical work in the elaboration of the political program. What I will argue is that the social in social democracy and socialism can be used to identify a cluster of principles and visions of change that differentiate socialism and social democracy both from the capitalist project of institutional development and from what could be called a purely statist response to capitalism. These principles revolve around what I will call “social empowerment.” This, in turn, will suggest a way of thinking about a range of future possibilities for socialism that have generally not been given a central place within radical challenges.

¹ I will not make a sharp distinction between socialism and social democracy in this discussion since there is not a stable contrast in the use of these labels by political parties and social movements. I will instead treat these as both occupying a position within a broad-spectrum of egalitarian challenges to capitalism. Social democracy embodies socialist principles, even if it attempted to deploy those principles in much more pragmatic ways than some parties that have called themselves socialist.

We will begin in section I by locating the problem of understanding socialism within a broader agenda of emancipatory social theory. Section II will explore the general problem of elaborating credible institutional alternatives to existing structures of power and privilege. Here I will elaborate the idea of social empowerment and explain what a socialism based on social empowerment means. Section III will then propose a map of pathways to social empowerment that embody the principles of a “social” socialism.

I. THE TASKS OF EMANCIPATORY SOCIAL SCIENCE

Emancipatory social science, in its broadest terms, seeks to generate scientific knowledge relevant to the collective project of challenging various forms of human oppression and creating the conditions in which people can live flourishing lives. To call it a form of social *science*, rather than simply social criticism or social philosophy, implies that it recognizes the importance of systematic scientific knowledge about how the world works for this task. To call it *emancipatory* is to identify a central moral purpose in the production of knowledge – the elimination of oppression and the creation of the conditions for human flourishing. And to call it *social* implies the belief that human emancipation depends upon the transformation of the social world.

To fulfill this mission, any emancipatory social science faces three basic tasks: elaborating a systematic diagnosis and critique of the world as it exists; envisioning viable alternatives; and, understanding the obstacles, possibilities, and dilemmas of transformation. In different historical moments one or another of these may be more pressing than others, but all are necessary for a comprehensive emancipatory theory.

1. *Diagnosis & Critique*

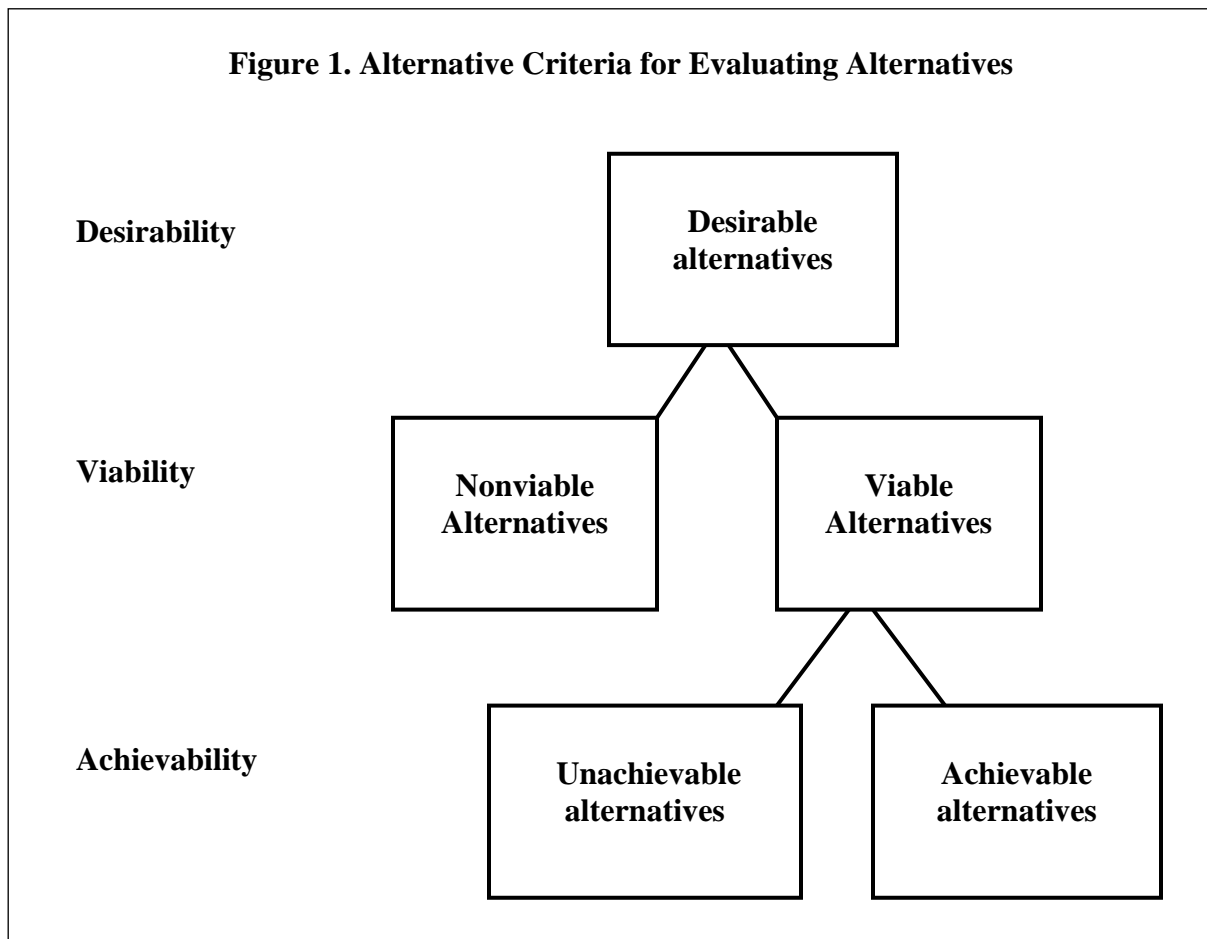
The starting point for building an emancipatory social science is identifying the ways in which existing social institutions and social structures systematically impose harms on people. It is not enough to show that people suffer in the world in which we live or that there are enormous inequalities in the extent to which people live flourishing lives. A scientific emancipatory theory must show that the explanation for this suffering and inequality lies in specific properties of institutions and social structures. The first task of emancipatory social science, therefore, is the diagnosis and critique of the causal processes that generate these harms.

Diagnosis and critique is the aspect of emancipatory social science that is often the most systematic and developed. Consider Feminism, for example. A great deal of feminist writing centers on the diagnosis of existing social relations and institutions in terms of the ways in which they generate various forms of oppression of women. Studies of labor markets have emphasized such things as sex-segregation of jobs, job evaluation systems which denigrate job attributes associated with culturally defined feminine traits, promotion discrimination, institutional arrangements which place mothers at a disadvantage in employment, and so on. Feminist studies of culture demonstrate the ways in which a wide range of cultural practices in the media, education, literature, and so on, have traditionally reinforced gender identities and stereotypes in ways that oppress women. Feminist studies of the state have examined the way in which state structures and policies have, at least until recently, systematically reinforced the subordination of

women and various forms of gender inequality. A similar set of observations could be made about empirical research inspired by the Marxist tradition of emancipatory theory, by theories of racial oppression, and by radical environmentalism. In each of these traditions much of the research that is done consists in documenting the harms generated by existing social structures and institutions, and attempting to identify the causal processes which generate those harms.

2. Alternatives

The second task of emancipatory social science is to develop a coherent, credible theory of alternatives to existing institutions and social structures that would eliminate, or at least significantly reduce these harms. Social alternatives can be elaborated and evaluated by three different criteria: *desirability*, *viability*, and *achievability*. These are nested in a kind of hierarchy: Not all desirable alternatives are viable, and not all viable alternatives are achievable. (See figure 1)



The exploration of *desirable* alternatives, without the constraints of viability or achievability, is the domain of utopian social theory and much normative political

philosophy. Typically such discussions are institutionally very thin, the emphasis being on the enunciation of abstract principles rather than actual institutional designs. Thus, for example, the Marxist aphorism to describe communism as a classless society governed by the principle “to each according to need, from each according to ability,” is almost silent on the actual institutional arrangements which would make this principle operative. Liberal theories of justice similarly elaborate and defend the principles that should be embodied in the institutions of a just society without systematically exploring the problem of whether sustainable, robust institutions could actually be designed to carry out those principles in the pure form in which they are formulated.² These kinds of discussions are important, for they can contribute much to clarifying our values and strengthen our moral commitment to the arduous business of social change. But purely utopian thinking about alternatives may do little to inform the practical task of institution building or add credibility to challenge to existing institutions.

The study of *viable* alternatives asks of proposals for transforming existing social structures and institutions whether, if implemented, they would actually generate in a sustainable, robust manner, the emancipatory consequences that motivated proposal. A common objection to radical egalitarian proposals is “sounds good on paper, but it will never work.” The best known example of this problem is central planning, the classic form in which people attempted to realize socialist principles. Socialists had sharp criticisms of the anarchy of the Market and its destructive effects on society and believed that a rationally planned economy would improve the lives of people. The institutional design that seemed to make this possible was centralized comprehensive planning. As it turned out, there are a range of “perverse” unintended consequences of central planning which subvert its intended goals. Another example of the viability problem is the proposal for a generous unconditional basic income. Suppose everyone were given, with no conditions or restrictions whatsoever, a monthly stipend sufficient to have a socially respectable standard of living. There are many reasons why from the moral standpoint of radical egalitarian views of social justice, this could be seen as a desirable alternative to existing processes of economic distribution. Yet there are skeptics who argue that a generous basic income is not a viable alternative to the existing world: perhaps it would create perverse incentives and everyone would become a couch potato; perhaps the tax rates would be so high that it would stifle economic activity; perhaps it would trigger such resentment of people who lived entirely on the basic income by those who combined the basic income with labor market earnings, that an unconditional basic income could not be politically stable. The discussion of the viability of alternatives explores these kinds of issues.

The viability of a specific institutional design for realizing emancipatory goals, of course, may not be an all-or-nothing affair. Viability may crucially depend upon various kinds of side conditions. For example, a generous unconditional basic income may be

² Moral philosophers generally argue that *ought* implies *can* – that there is no moral imperative to do the impossible – and thus, at least implicitly, arguments about what would constitute a “just society” – a desirable alternative to the present world – require that viable institutions could in principle be constructed to actualize those principles. In practice, however, very little attention is given to these issues in political philosophy. John Rawls, for example, argues that his “liberty principle” is lexically prior to his “difference principle” without every asking if this is possible in real institutions.

viable in a country in which there is a strong culturally-rooted work ethic and sense of collective obligation, because in such a society there would be relatively few people who decide to consume the basic income without any reciprocal contribution, but not viable in a highly atomistic consumerist society. Or, a basic income could be viable in a society that already had developed over a long period a generous redistributive welfare state based on a patchwork of targeted programs, but not in a society with a miserly limited welfare state. Discussions of viability, therefore, also include discussions of the contextual conditions-of-possibility for particular designs to work well.

The exploration of viable alternatives brackets the question of their practical achievability under existing social conditions. Some people might argue, what's the point of talking about some theoretically viable alternative to the world in which we live if it is not strategically achievable? The response to the skeptic is this: there are so many uncertainties and contingencies about the future, that we cannot possibly know now what really are the limits of achievable alternatives in the future. Perhaps we can say something about what sorts of changes we can struggle for right now, what kinds of coalitions are formable and which are unformable, what sorts of political strategies are likely to be effective and ineffective. But the further we look into the future, the less certain we can be about the limits on what is achievable.

Given this uncertainty about the future, there are two reasons why it is important to have clear-headed understandings of the range of viable alternatives to the world in which we live, alternatives which, if implemented, would stand a chance of being sustainable. First, developing such understandings now makes it more likely that, if in the future historical conditions expand the limits of achievable possibility, social forces committed to emancipatory social change will be in a position to formulate practical strategies to implement the alternative. Viable alternatives are more likely to eventually become achievable alternatives if they are well thought out and understood. Second, the actual limits of what is achievable depend in part on the beliefs people hold about what sorts of alternatives are viable. This is a crucial point and fundamental to sociological understandings of the very idea of their being "limits of possibility" for social change: social limits of possibility are not independent of beliefs about limits. When a physicist argues that there is a limit to the maximum speed at which things can travel, this is meant as an objective constraint operating independently of our beliefs about speed. Similarly, when a biologist argues that in the absence of certain conditions, life is impossible, this is a claim about objective constraints. Of course both the physicist and the biologist could be wrong, but the claims themselves are about real, untransgressable limits of possibility. Claims about social limits of possibility are different from these claims about physical and biological limits, for in the social case the beliefs people hold about limits systematically affect what is possible. Developing systematic, compelling accounts of viable alternatives to existing social structures and institutions of power and privilege, therefore, is one component of the social process through which the social limits on achievable alternatives can themselves be changed.

It is no easy matter to make a credible argument that "another world is possible". People are born into societies that are always already made. The rules of social life which they learn and internalize as they grow up seem natural. People are preoccupied with the tasks of daily life, with making a living, with coping with life's pains and enjoying life's

pleasures. The idea that the social world could be deliberately changed in some fundamental way that would make life significantly better for most people seems pretty far-fetched, both because it is hard to imagine some dramatically better workable alternative and because it is hard to imagine how to successfully challenge existing institutions of power and privilege in order to create the alternative. Thus even if one accepts the diagnosis and critique of existing institutions, the most natural response for most people is probably a fatalistic sense that there is not much that could be done to really change things.

Such fatalism poses a serious problem for people committed to challenging the injustices and harms of the existing social world since, as already noted, beliefs about limits of possibility are themselves important determinants of what is actually possible. Fatalism and cynicism about the prospects for emancipatory change reduces the prospects for change. One strategy, of course, is to just not worry too much about having a scientifically credible argument about the possibilities for radical social change, but instead try to create an inspiring vision of a desirable alternative, grounded in anger at the injustices of the world in which we live and infused with hope and passion about human possibilities. At times, such charismatic wishful thinking has been a powerful force, contributing to the mobilization of people for struggle and sacrifice. But it is unlikely to form an adequate basis for transforming the world in ways that actually produce a sustainable emancipatory alternative. The history of the human struggles for radical social change is filled with heroic victories over existing structures of oppression followed by the tragic construction of new forms of domination and inequality. The second task of emancipatory social science, therefore, is to develop in as systematic a way as possible a scientifically grounded conception of viable alternative institutions.

Developing coherent theories of *achievable* alternatives is the central task for the practical work of strategies for social change. This turns out to be a very difficult undertaking, both because views about achievability are vulnerable to “wishful thinking”, and because of the high levels of contingency of conditions in the future which will affect the prospects of success of any long-term strategy. As in the case of viability, achievability is not really a simple dichotomy: different projects of institutional transformation have different prospects for ever being implemented. The probability that any given alternative to existing social structures and institutions could be implemented some time in the future depends upon two kinds of processes: First, it depends upon the consciously pursued strategies and power of social actors who support and oppose the alternative in question. Strategy matters because emancipatory alternatives are very unlikely to just “happen”; they can only come about because people work to implement them, and are able to overcome various forms of opposition. Second, this probability depends upon the trajectory over time of a wide range of social structural conditions that affect the possibilities of success of these strategies.³ This trajectory of conditions is

³ To quote (out of context) Marx’s famous aphorism: “[people] make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past.” Marx (1852 [1968]: 96), *The Eighteenth Brumaire of Louis Bonaparte*. The quote is usually taken to mean that social structures impose constraints on human agency, but the actual context of the quote is about the mental conditions of action. The full quote continues: “The tradition of all the dead generations weighs like a nightmare on the brain of

itself partially the result of the cumulative unintended effects of human action, but it is also the result of the conscious strategies of actors to transform the conditions of their own actions. The achievability of an alternative, thus, depends upon the extent to which it is possible to formulate coherent, compelling strategies which both help create the conditions for implementing alternatives in the future and have the potential to mobilize the necessary social forces to support the alternative when those conditions occur. Developing an understanding of these issues is the objective of the third task of emancipatory social science: the theory of transformation.

3. Transformation

The third task of emancipatory social theory is elaborating a theory of social transformation. We can think of emancipatory social theory as an account of a journey from the present to a possible future: the critique of society tells us why we want to leave the world in which we live; the theory of alternatives tells us where we want to go; and the theory of transformation tells us how to get from here to there. This involves a number of difficult, interconnected problems: a theory of the mechanisms of social reproduction which sustain existing structures of power and privilege; a theory of the contradictions in such systems of reproduction, contradictions which open up a space of strategies of social transformation; a theory of the developmental dynamics of the system which change the conditions for such strategies over time; and, crucially, a theory of the formation of collective actors engaging in struggles over these conditions of transformation.

The rest of this paper focuses on the second of these three tasks: the problem of elaborating viable emancipatory alternatives to capitalism. In the next section we will briefly review and criticize Marx's approach to the problem of thinking about alternatives to capitalism. I will then propose a general way of thinking about socialism as an imagined alternative to capitalism.

II. THINKING ABOUT ALTERNATIVES

Marx's Approach

The historically most famous and important approach to thinking about alternatives to capitalism is that initially developed by Karl Marx in the middle of the 19th century. He proposed an intellectually brilliant, if ultimately unsatisfactory, solution to the problem of specifying the alternative to capitalism in a credible way. Rather than develop a systematic theoretical model which could demonstrate the possibility of an emancipatory alternative to capitalism, he proposed a theory of the long-term *impossibility of*

the living. And just when they seem engaged in revolutionizing themselves and things, in creating something that has never yet existed, precisely in such periods of revolutionary crisis they anxiously conjure up the spirits from the past to their service and borrow from them names, battle cries and costumes in order to present the new scene of world history in this time-honored disguise and this borrowed language." (p.97)

capitalism. His arguments are, I think, familiar: because of its inner dynamics and contradictions, capitalism destroys its own conditions of possibility. This is a deterministic theory: in the long-run capitalism will become an impossible social order, so some alternative will of necessity have to occur. The trick is then to make a credible case that a democratic egalitarian organization of economic and society is plausible form of such an alternative. Here is where Marx's theory gets especially elegant, for the contradictions which propel capitalism along its trajectory of self-erosion also create historical agents – the working class – with both an interest in a democratic egalitarian society and with an increasing capacity to translate their interests into action. Given all of these elements, Marx's actual theory of socialism itself is a kind of pragmatist theory of *where there is a will there is a way* problem-solving by creative solidaristic workers: as capitalism moves towards long term crisis intensification and decline, the working class develops the collective political organization needed to seize state power, create a rupture with capitalism and experimentally construct a socialist alternative. In a sense, then, Marx combines a highly deterministic theory of the demise of capitalism – the laws of motion of capitalism will ultimately make capitalism unsustainable – with a largely voluntaristic theory of the construction of the alternative.

That theory was an extraordinary intellectual achievement, and as we know it helped animate social and political movements for radical social change for over a century. However, in certain crucial respects it is flawed and I believe cannot serve as the basis for the on-going egalitarian project of challenging capitalism. I won't go through the criticisms in detail here, but only note four central problems: First, arguments for pivotal thesis of the theory – that capitalism necessarily destroys itself and therefore it will necessarily be replaced by some alternative – are unsatisfactory. This prediction depends on the claim that the capitalism is not simply prone to periodic crises, but that there is a systematic tendency for crises to intensify over time. The theoretical arguments of classical Marxism for this claim are flawed.

Second, the classical Marxist prediction about the transformations of the capitalist class structure towards homogeneous proletarianization is unsatisfactory. While it is certainly true that the course of capitalist development has incorporated an increasing proportion of the labor force into capitalist employment relations, in the developed capitalist world this has not resulted in a process of intensified proletarianization and class homogenization but rather a trajectory of increasing complexity of class structures: contradictory locations within class relations have proliferated, self-employment has steadily increased in most developed capitalist countries since the mid-1970s, significant proportions of the working class own some stock through ESOPs and pension funds, households have become more heterogeneous in class terms as married women have entered the labor force, and career trajectories create temporal uncertainty in class locations. None of these forms of complexity in class relations mean that class is of declining importance in people's lives, or that class structures are becoming less capitalist in any fundamental way. It simply means that the structural transformations that underlie the intensification of class struggle thesis have not occurred.

Third, collective class capacities of potential challengers to capitalism do not systematically strengthen with capitalist development. In part this is because of the heterogeneity of interests within the broadly defined working class, but it is also because

of the robustness of various forms of class compromise which undermine the capacity for system challenge.

Finally, the theory of ruptural transformation is not a plausible theory for constructing a democratic egalitarian transcendence of capitalism. While there have been revolutionary challenges to capitalism, the historical examples of ruptural transformation, have never been able to sustain an extended process of democratic experimentalist institution-building. The “where-there-is-a-will-there-is-a-way” theory of constructing alternative, emancipatory institutions depends upon the active, creative empowered participation of ordinary people in a process of democratic deliberation and social innovation. While there have been brief episodes of such egalitarian democratic participation within attempts at the revolutionary transformations of capitalism, such episodes have always been short-lived and relatively isolated. It is, of course, a complex matter to diagnose the reasons for these failures, but it is likely that the concentrated forms of political power and organization needed to successfully produce a revolutionary rupture with capitalist institutions are themselves incompatible with the forms of participatory practice needed for democratic experimentalism in the construction of new emancipatory alternatives. Revolutionary parties may be effective “organizational weapons” to topple capitalist states in certain circumstances, but they appear to be extremely ineffective means for constructing a democratic egalitarian alternative. As a result, the empirical cases we have of ruptures with capitalism have resulted in state-bureaucratic forms of economic organization rather than anything approaching a democratic-egalitarian alternative to capitalism.

Towards an alternative approach to socialism

The classical Marxist theory of alternatives to capitalism is deeply anchored in a deterministic theory of key properties of the trajectory capitalism: by predicting the basic contours of the future of capitalism Marx hoped to contribute to the realization of a emancipatory alternative to capitalism. In the absence of a compelling dynamic theory of the destiny of capitalism, an alternative strategy is to shift our efforts from building a theory of dynamic trajectory to a theory of structural possibility. Instead of the metaphor of a road map guiding us to a known-in-advance destination, the best we can probably do is to think of the project of emancipatory social change more like a voyage of exploration and discovery. We leave the well known world with a compass that tells us the direction we are moving and an GPS device which tells us how far from our point of departure we have traveled, but without a road map which lays out the entire route from the point of departure to the final destination. This has perils, of course: we may encounter chasms which we cannot cross, unforeseen obstacles which force us to move in a direction we had not planned. We may have to backtrack and try a new route. There will be moments when we reach high ground, with clear views towards the horizon, and this will greatly facilitate our navigation for a while. But other times we must pick our way through confusing terrain and dense forests with little ability to see where we are going. Perhaps with technologies we invent along the way we can create some artificial high ground and see somewhat into the distance. And, in the end, we may discover that there are absolute limits to how far we can move in the hoped-for direction. While we cannot know in advance how far we can go, we can know if we are moving in the right direction.

This approach to thinking about emancipatory alternatives retains a strong normative vision of life beyond capitalism, but acknowledges the limitations of our scientific knowledge of the real possibilities of transcending capitalism. But note: this is not the same as embracing the false certainty that there exists untransgressable limits for constructing a radical democratic egalitarian alternative. The absence of solid scientific knowledge of limits of possibility applies both to the prospects of radical alternatives and the permanence of capitalism.

The key to embarking on a journey of exploration and discovery is the usefulness of our navigational device. We need to construct what might be called a socialist compass: the principles which tell us if we are moving in the right direction. This is the task of the rest of this paper.

Most discussions of socialism build the concept in terms of a binary contrast with capitalism. The standard strategy is to begin with a discussion of different ways of organizing production, and from this to define capitalism as an economic structure within which production is oriented towards profit maximization through exchange on the market, the means of production are privately owned, and workers do not own their means of production and thus must sell their labor power on a labor market in order to obtain their livelihoods. Socialism is then defined in terms of the negation of one or more of these conditions. Since the pivot of the concept of capitalism is the *private* ownership of means of production, generally this has meant that socialism is understood as *public* ownership in one form or another, most typically through the institutional device of state ownership.

Here I will elaborate an alternative approach to specifying the concept of socialism in which it is contrasted to two alternative forms of economic structure, not just one: *capitalism* and *statism*. Capitalism, statism, and socialism can be thought of as alternative ways of organizing the power relations through which economic resources are allocated, controlled, and used. As a first approximation we can define these concepts as follows:

Capitalism is an economic structure within which the allocation and use of resources for different social purposes is accomplished through the exercise of economic power. Investments and the control of production are the result of the exercise of economic power by owners of capital.

Statism is an economic structure within which the allocation and use of resources for different social purposes is accomplished through the exercise of state power. State officials control the investment process and production through some sort of state-administrative mechanism.

Socialism is an economic structure within which the allocation and use of resources for different social purposes is accomplished through the exercise of what can be termed “social power.” “Social power” is power rooted in the capacity to mobilize people for cooperative, voluntary collective actions of various sorts in civil society. This implies that civil society should not be viewed simply as an arena of activity, sociability, and communication, but also of real power. Social power is contrasted to *economic power*, based on the ownership and control of economic resources, and *state power*, based on the control of rule

making and rule enforcing capacity over territory. The idea of democracy, in these terms, can be thought of as a specific way of linking social power and state power: in the ideal of democracy, state power is fully subordinated to and accountable to social power. Democracy is thus, inherently, a deeply socialist principle. If “Democracy” is the label for the subordination of state power to social power, “socialism” is the term for the subordination of economic power to social power. In socialism the control over investment and production is organized through some mechanism of social empowerment.

This idea of a socialism rooted in social power is not the conventional way of understanding socialism. Indeed many people use the term “socialism” to describe what I am here calling statism. This reconceptualization, however, does capture a central moral idea about socialism: socialism is an economy organized in such a way as to serve the needs and aspirations of ordinary people, not elites, and to do this the economy must in some way or another be controlled by ordinary people – that is, subordinated to social power.

It is important to be clear about the conceptual field being mapped here: these are all types of economic structures, but only in capitalism is it the case that economically-based power plays the predominant role in determining the use of economic resources.⁴ In Statism and Socialism a form of power distinct from the economy itself plays the dominant role in allocating economic resources for alternative uses. It is still the case, of course, that in capitalism state power and associational power exist, but they do not play a central role in the direct allocation of economic resources.

To say that socialism is an economic structure within which the allocation and use of resources for different social purposes is accomplished through the exercise of “social power”, defined as power rooted in civil society, leaves open the question of what sorts of associations in civil society are central to social empowerment and which are not. Traditionally socialists, especially those firmly anchored in the Marxist tradition, have understood this problem largely in class terms, focusing especially on the importance of working class associations for socialism. While it is undoubtedly the case that class organization is crucial for social empowerment over the economy, social empowerment is a broader idea than simply working class empowerment and includes a wide range of associations and collective actors not simply defined by their relationship to class structure. Socialism, understood in the way proposed here, is thus not the equivalent of the working class controlling the means of production through its collective associations; it is civil society controlling the economy.

For each of these three ideal types, one can imagine an extreme form in which only one form of power is involved in allocating economic resources. In these terms, *totalitarianism* can be viewed as a form of hyper-statism in which state power is not simply the primary form of power over economic allocations, but in which economic power and associational power largely disappear. In a pure *libertarian capitalism* the

⁴ This special property of capitalism is something much remarked upon by Max Weber. He saw the decisive shift from pre-capitalist to capitalist society as lying in the institutional insulation of economic activity from noneconomic forms of power and interference which was the essential organizational condition for the full “rationalization” of economic life.

state atrophies to a mere “night watchman state” serving only the purpose of enforcing property rights, and commercial activities penetrate into all corners of civil society, commodifying everything. The exercise of economic power would almost fully explain the allocation and use of resources. Citizens are atomized consumers who make individual choices in a market but exercise no collective power over the economy through association in civil society. *Communism*, as classically understood in Marxism, is a form of society in which the state has withered away and the economy is absorbed into civil society as the free, cooperative activity of associated individuals.

None of these extreme forms could exist as a stable, reproducible form of social organization. Totalitarianism never completely eliminated informal social networks as a basis for cooperative social interaction outside of the direct control of the state, and the practical functioning of economic institutions was never fully subordinated to centralized command-and-control planning. Capitalism would be an unreproducible and chaotic social order if the state played the minimalist role specified in the libertarian fantasy, but it would also, as Polanyi argued, function much more erratically if civil society was absorbed into the economy as a fully commodified and atomized arena of social life. Pure communism is also a utopian fantasy, since it is hard to imagine a complex society without some sort of authoritative means of making and enforcing binding rules (a “state”). Feasible, sustainable forms of large-scale social organization, therefore, always involve some kind of reciprocal relations among these three forms of power within economic relations.

Within this general conceptualization capitalism, statism and socialism should be thought of not simply as *discrete ideal types* of economic structures, but also as *variables*. The more the decisions made by actors exercising economic power determine the allocation and use of productive resources, the more capitalist is an economic structure. The more power exercised through the state determines the allocation and use of resources, the more the society is statist. And the more power rooted in civil society determines such allocations and use, the more the society is socialist. There are thus all sorts of complex mixed cases and hybrids – cases in which in certain respects, for example, a society is capitalist and in others statist or socialist.

Treating these concepts as varying in degree opens the possibility of complex mixed cases – hybrids in which in certain respects a society is capitalist and in others statist or socialist. All existing capitalist societies contain significant elements of statism since states everywhere allocate part of the social surplus for various kinds of investments, especially in things like public infrastructure, defense and education. Furthermore, in all capitalist societies the state removes certain powers from holders of private property rights, for example when capitalist states impose regulations on capitalist firms that require health and safety standards in production. Such rules tell owners that even though they “own” the means of production, they cannot legally use them in certain ways. State power, rather than economic power, controls those specific aspects of production, and in these ways the economy is statist. Capitalist societies also always contain at least some socialist elements, at least through the ways collective actors in civil society influence the allocation of economic resources indirectly through their efforts to influence the state and capitalist corporations. The use of the simple, unmodified expression “capitalism” to

describe an empirical case is thus a shorthand for something like “an economic structure within which capitalism is the predominant way of organizing economic activity.”⁵

III. Pathways to social empowerment

To recapitulate the conceptual proposal: Socialism can be contrasted to capitalism and statism in terms of the principal form of power that shapes economic activity – the production and distribution of goods and services. Specifically, the greater the degree and forms of social empowerment over use and control of economic resources and activities, the more we can describe an economy as socialist. What does this actually mean in terms of institutional designs? For capitalism and statism, because of the rich examples of historically existing societies, we have a pretty good idea of the institutional arrangements which make these forms of economic structure possible. An economic structure built around private ownership of the means of production combined with relatively comprehensive markets is one in which economic power – the power of capital – plays the primary role in organizing production and allocating the social surplus to different investments. A centralized bureaucratic state that directly plans and organizes most large-scale economic activity and which, through the apparatus of a political party, penetrates the associations of civil society is an effective design for statism. But what about socialism? What sorts of institutional designs would enable power rooted in voluntary association in civil society to effectively control the production and distribution of goods and services? What does it mean to move in the direction of a society within which social empowerment is the central organizing principle of the economy?

As discussed in the previous chapter, our task here is not so much to propose blueprints for realizing the idea of social empowerment over economic activity, but rather to elaborate a set of principles which tell us when we are moving in the right directions. This is the problem of specifying a socialist compass.

The socialist compass has three principle directions anchored in each of the three forms of power we have been discussing:

1. Social empowerment over the way state power affects economic activity;
2. Social empowerment over the way economic power shapes economic activity; and
3. Social empowerment directly over economic activity.

These three directions of social empowerment yield an array of pathways through which social power can be translated into power over the allocation of resources and the control of production and distribution, as illustrated in Figure 2.⁶ The arrows in this diagram represent the effects of power from one social domain on another. Thus, for example, the arrow from social power to state power means that power rooted in civil

⁵ This, of course, leaves open precisely what one means by “predominant”. This is a complex and contentious matter.

⁶ This figure only illustrates the pathways through which social power operates; it is not meant to be a comprehensive map of all power relations over economic activity. A similar sort of map could be drawn for the pathways to statism, and the pathways of capitalist economic power.

society directly shapes the exercise of state power. Five of these pathways are especially important.

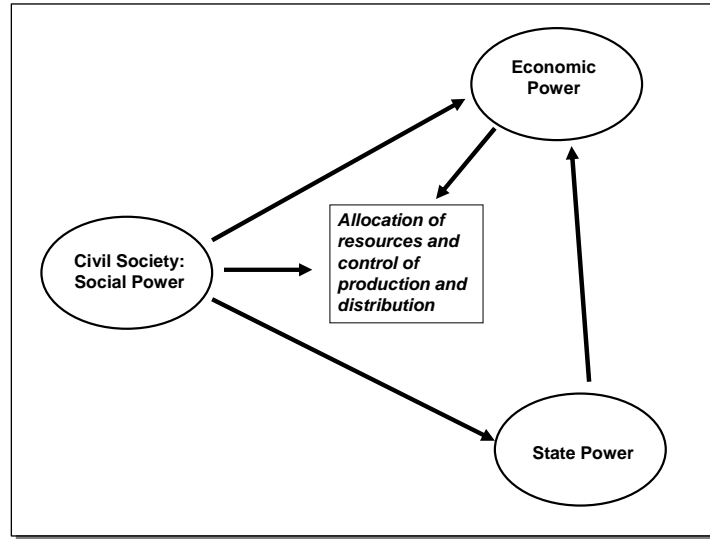


Figure 2. Pathways to Social Empowerment

1. *Statist Socialism: Social empowerment over the way state power is directly exercised over the economy.*

In traditional socialist theory, the essential route by which popular power – power rooted in associational activity of civil society – was translated into control over the economy was through the state. It is for this reason that those visions can reasonably be described as models of statist-socialism. The basic idea was this: Political parties are associations formed in civil society with the goal of influencing states. People join them in pursuit of certain objectives, and their power depends in significant ways upon their capacities to mobilize such participation for collective actions of various sorts. So, if it were the case that a socialist party was deeply connected to the working class through its embeddedness in working class social networks and communities and democratically accountable through an open political process through which it politically represented the working class (or some broader coalition), then if the socialist party controlled the state and the state controlled the economy, one could argue on a principle of transitivity-of-control, that an empowered civil society controlled the economic system of production and distribution. This vision is diagramed in Figure 3 and might be termed a classic model of *statist socialism*. In this vision, economic power as such is marginalized: it is not by virtue of actors direct ownership and control over assets that they have power to organize production; it is by virtue of their collective political organization in civil society and their exercise of state power.

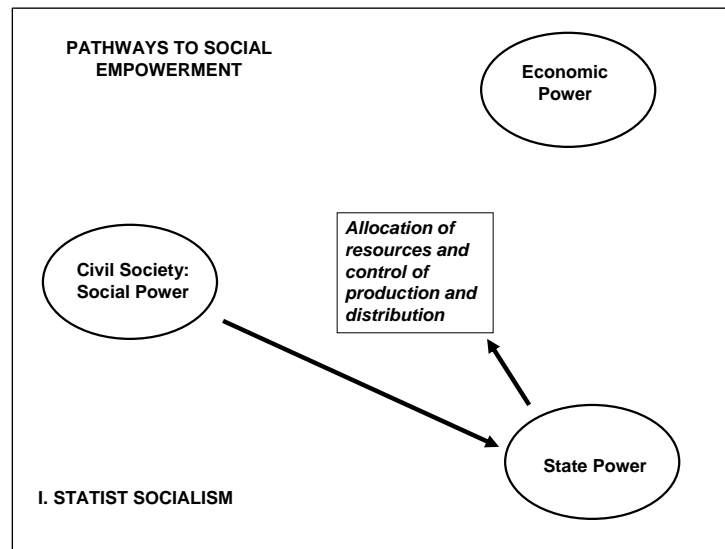


Figure 3
Statist Socialism

Statist socialism of this sort was at the heart of traditional Marxist ideas of revolutionary socialism. The vision – at least on paper – was that the party would be organically connected to the working class and effectively accountable to associated workers, and thus its control over the state would be a mechanism for civil society (understood in class terms) to control the state. Furthermore, revolutionary socialism envisioned a radical reorganization of the institutions of the state and economy – through organizational forms of participatory councils that in the case of the Russian Revolution came to be called “soviets” – in ways that would directly involve workers associations in the exercise of power in both the state and production. These councils, if fully empowered in democratic ways and rooted in an autonomous civil society, could be thought of as a mechanism for institutionalizing the ascendancy of associational power. Again, the party was seen as pivotal to this process, since it would provide the leadership (the “vanguard” role) for such an associational translation of civil society into effective social power.

This is not, of course, how things turned out. Whether because of inherent tendencies of revolutionary party organizations to concentrate power at the top or because of the terrible constraints of the historical circumstances of the Russian Revolution and its aftermath, whatever potential for the Communist Party to be subordinated to an autonomous civil society was destroyed in the course of the early years of the revolution. By the time the new Soviet State had consolidated power and launched its concerted efforts at transforming the economy, the party had become a mechanism of state

domination, a vehicle for penetrating civil society and controlling economic organizations. The Soviet Union, therefore, became the archetype of authoritarian statism under the ideological banner of socialism, but not of socialism itself. Subsequent successful revolutionary socialist parties, for all of their differences, followed a broadly similar path, creating various forms of statism, but never a socialism based on an empowered civil society.

Today, few socialists believe that comprehensive statist central planning is a viable structure for realizing socialist goals. Nevertheless, statist socialism remains a component of any likely process of social empowerment. The state will remain central to the provision of a wide range of public goods, from health to education to public transformation. The central question for socialists, then, is the extent to which these aspects of state provision can be effectively under the control of a democratically empowered civil society. In capitalist societies, typically, these aspects of public goods provision by the state are only weakly subordinated to social power through the institutions of representative democracy. Because of the enormous influence of capitalist economic power on state policies, often such public goods are more geared to the needs of capital accumulation than social needs. Deepening the democratic quality of the state is thus the pivotal problem for direct state provision of goods and services to become a genuine pathway to social empowerment.

Many people will be skeptical about the possibility of significantly enhancing the democratic character of state involvement in the production and distributions of goods, services and infrastructure. The failure of command-and-control bureaucracies in both the former state socialist economies and in capitalist economies have fueled calls for the privatization and marketization of state services, not for their democratization. Archon Fung and I have argued in our book *Deepening Democracy*, that a range of innovative designs in democratic institutions provide reason to believe that more energetically participatory forms of democratic governance are in fact possible, especially at the local and regional level, and that these can significantly enhance both the effectiveness of public goods provision and their accountability to civil society. To cite just one example, in the city of Porto Alegre, Brazil, a system of participatory budgeting has developed since the early 1990s which directly involves large numbers of ordinary citizens and secondary associations in real decision-making power over the formulation of city budgets.

2. Social Democratic Statist Economic Regulation

The second pathway for potential social empowerment centers on the ways in which the state constrains and regulates economic power (Figure 4). Even in the present period of economic deregulation and the triumph of ideologies of the free market, the state is deeply implicated in the regulation of production and distribution in ways that impinge on capitalist economic power. This includes a wide range of interventions: pollution control, workplace health and safety rules, product safety standards, skill credentialing in labor markets, minimum wages, and so on. All of these involve state power restricting certain powers of owners of capital, and thereby affecting economic activities. To the

extent that these forms of affirmative state intervention are themselves effectively subordinated to social power, then this becomes a pathway to social empowerment.

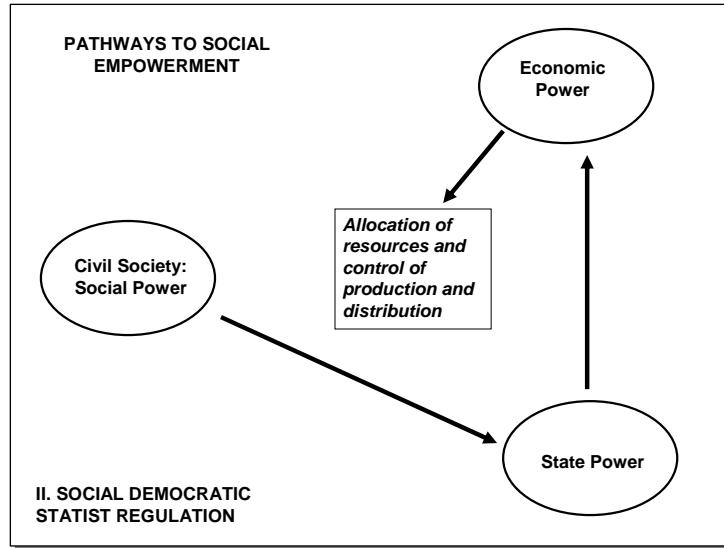


Figure 4
Social Democratic Statist
Economic Regulation

Statist regulation of capitalist economic power, however, need not imply significant social empowerment. Again, the issue here is the extent and depth to which the regulatory activities of the state are genuine expressions of democratic empowerment of civil society. In actual capitalist societies, much economic regulation is in fact much more responsive to the needs and power of capital than to the needs and power of civil society. The result is a power configuration more like Figure 5 than Figure 4: state power regulates capital but in ways that is systematically responsive to the power of capital itself. The question, then, is the extent to which it is possible within capitalist society to democratize state regulatory processes in ways which undercut the power of capital and enhance social power. One way of doing this is through what is sometimes called “associative democracy.”

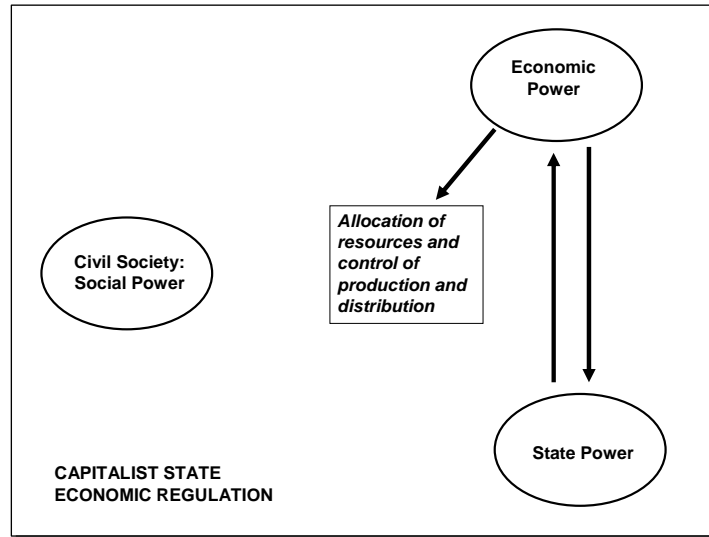


Figure 5 Capitalist State Economic Regulation

3. Associative Democracy

Associative democracy encompasses a wide range of institutional devices through which collective associations in civil society directly participate in various kinds of governance activities, characteristically along with state officials. Associative democracy can be interpreted as a pathway of social empowerment involving the joint effects of social power and state power on economic power (see Figure 6). The most familiar form of this is probably the tripartite neo-corporatist arrangements in some social democratic societies in which organized labor, associations of employers, and the state meet together to bargain over various kinds of economic regulations, especially those involved in the labor market and employment relations. Associative democracy could be extended to many other domains, for example watershed councils which bring together civic associations, environmental groups, developers and state agencies to regulate ecosystems, or health councils involving medical associations, community organizations and public health officials to plan various aspects of health care. To the extent that the associations involved are internally democratic and representative of interests in civil society, and the decision-making process in which they are engaged is open and deliberative, rather than heavily manipulated by elites and the state, then associative democracy can contribute to social empowerment.

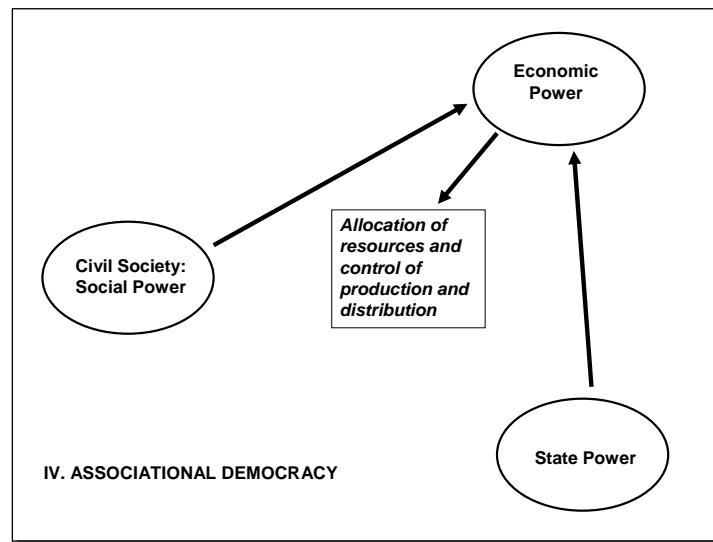


Figure 6
Associational Democracy

4. Social Capitalism: Social empowerment over the way the economic power of capital is exercised over the economy.

Economic power is power rooted in the direct control over the allocation, organization, and use of capital of various sorts. Secondary associations of civil society can, through a variety of mechanisms, directly affect the way such economic power is used (Figure 7). For example, unions often control large pension funds. These are generally governed by rules of fiduciary responsibility which severely limit the potential use of those funds for purposes other than providing secure pensions for the beneficiaries. But those rules could be changed, and unions could potentially exert power over corporations through the management of such funds. More ambitiously, Robin Blackburn has proposed a new kind of pension fund, funded by a share-levy on corporations, which would enable a broader array of secondary associations in civil society to exert significant influence on the patterns of capital accumulation.⁷ In Canada today, the union movement has created a venture capital fund, controlled by labor, to provide equity to start-up firms that satisfy certain social criteria.

⁷ Blackburn's proposal (Blackburn 2005) is modeled after the proposal by Rudolf Meidner in Sweden to introduce what were then called "wage earner funds" as a way of increasing union control over accumulation. The key idea is that Corporations pay shares into these funds, not cash, and the funds are forced to hold these shares for extended period of time. This has the effect of gradually diluting private shareowner control over the total stock of corporations and enhancing the control of these funds.

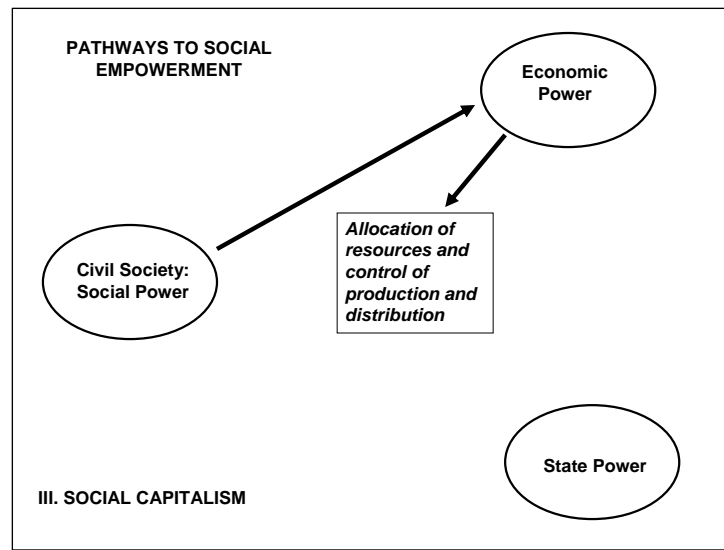


Figure 7
Social Capitalism

Other proposals which potentially would enhance the role of secondary associations in civil society influencing economic power center on a variety of ways in which workers are collectively involved in various aspects of workplace management. The co-determination rules in Germany, which mandate worker representation on boards of directors of firms over a certain size is a limited example of this. Proposals to replace shareholder councils with stakeholder councils for the control of corporate boards of directors would be a more radical version. Or consider things like the regulation of workplace health and safety. One way of regulating the workplace is for there to be a government regulatory agency which sends inspectors to workplaces to monitor compliance with rules. Another way is to empower workers councils within the workplace to monitor and enforce health and safety conditions. The latter is an example of enhancing social empower over economic power. Social movements engaged in consumer oriented pressure on corporations would also be a form of civil society empowerment directed at economic power.

5. The Social Economy: direct social empowerment over production and distribution.

The final route to empowering civil society involves the direct involvement in secondary associations in civil society in organizing various aspects of economic activity, not simply shaping the deployment of economic power (Figure 8). The “social economy” constitutes an alternative way of directly organizing economic activity that is distinct from capitalist market production, state organized production, and household production.

Its hallmark is production organized by collectivities directly to satisfy human needs not subject to the discipline of profit-maximization or state-technocratic rationality.⁸

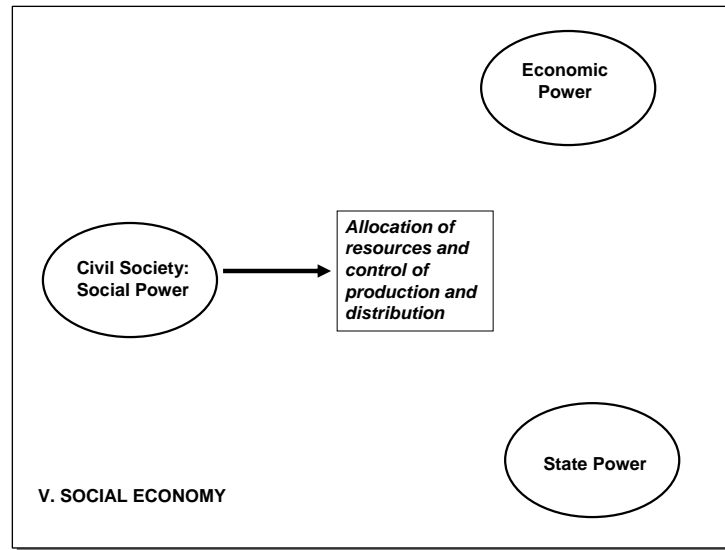


Figure 8
Social Economy

In capitalist societies the primary way that production in the social economy is financed is through charitable donations. This is one of the reasons that such activities are often primarily organized by churches. An alternative would be for the state, through its capacity to tax, to provide funding for a wide range of socially-organized non-market production. This is already common the arts in many places in the world. In Quebec there is an extensive system of eldercare home services organized through producer coops and childcare coops organized through parent-provider coops in this way. The Provincial Government heavily subsidizes these co-ops and establishes rules that essentially block the entry of for-profit firms into the subsidized social economy sector. The Canadian single-payer health care system also has an important element of social economy: the Canadian state funds virtually all health care and regulates the standards of health care, but it generally does not directly organize its provision, as in the British National Health Service. Rather, hospitals, clinics and medical practices are organized by all sorts of entities in civil society, including community-based organizations. This creates a space within which a social economy in health care, organized through community-based participatory cooperatives could potentially play a large role. In a sense, then, the Canadian Healthcare system has potentially a more socialist character than the highly statist, bureaucratically centralized British system.

⁸ In Figure 4.8 there is no arrow from the state to production and distribution since the state itself is not directly involved in these activities. The state is, of course, still important for social economy in setting up the legal parameters within which it functions.

One of the major obstacles to a dramatic expansion of the social economy is the problem of providing an adequate standard of living for people who work within it. One way of overcoming this obstacle would be the implementation of an unconditional basic income. Unconditional basic income is generally defended on the grounds of egalitarian principles of social justice. But it can also be seen as a strategy for transferring part of the social surplus from capital accumulation to what might be called social accumulation, by reducing the pressure on collective associations in the social economy to provide for the entire standard of living of producers. In this way social empowerment along the pathway of the social economy would be accelerated.

IV. CONCLUSION

All of these proposals have, at their core, the idea of creating conditions in which the active participation and empowerment of people in solving collective problems is enhanced. They challenge the prevailing idea that there are no alternatives to capitalism and representative democracy as we know them. If people generally believed that capitalism was inevitably doomed because of its own self-destructive dynamics, then this itself would undercut the notion that there was no alternative. But if this belief is dropped, then articulating alternatives is a necessary condition for putting alternatives on the historical agenda.

Elaborating institutional proposals for viable alternatives to capitalist relations, however, is meant to be more than just an ideological ploy for challenging fatalism. These institutional designs can become part of pragmatic projects of social reform within capitalist society. There are many possible capitalisms with many different ways of interjecting noncapitalist principles within social and economic institutions. One crucial issue for people morally committed to a radical egalitarian and democratic notion of social justice is the extent to which it is possible to introduce and sustain significant aspects of emancipatory institutional arrangements within some varieties of capitalism. Although the constraints of power and privilege necessarily make any emancipatory project within capitalism difficult, this does not imply that elements of emancipatory alternatives cannot be prefigured within the contradictory reality of capitalism itself. Envisioning viable socialist principles is thus, ultimately, part of an active agenda of social change within capitalism rather than simply a new vision of alternatives to capitalism. And perhaps, by embarking on the journey of social empowerment within capitalism we will eventually reach a destiny beyond.