Capitalism and Socialism as Ideals and the New World Order: An American Perspective

WILLIAM LEON MCBRIDE
Purdue University (Indiana, USA)

Between Ideals and Reality: That was the apt English title of a book of Svetozar Stojanović´s essays first published some twenty years ago.[1] Idea and Reality: This was the theme of an ongoing research project conducted over several years recently by the History of Philosophy section of the Eotvos Loran University in Budapest.[2] We all know very well why this theme resonated so well in Yugoslavia, in Hungary, and in the other countries of Central and Eastern Europe during the period of 40--odd years that has now more or less come to an end everywhere - the period of Socialist Democratic Republics. There was, on the one hand, the socialist ideal - vague, grandiose, but at any rate committed to the liberation of the human spirit. There were, on the other hand, the actual regimes, varying one from the other, passing through periods of greater hope and openness and through other times of greater repression, but never coming close to realizing that ideal and often crushing the human spirit instead of liberating it. The gap between ideal and reality was truly awesome.

There is, however, a capitalist ideal, as well. One way of epitomizing it is under the rubric of the purely free market. At a small meeting of philosophers in Budapest in the summer of 1988, organized around the theme of "Idea and Reality", I presented a paper intended to show the inadequacies both of actually existing capitalism *and* of capitalism as an ideal. In its context, the theme of my paper was, as one of the younger Hungarian philosophers who had been in attendance assured me two years later, a particularly amusing one, since already at that time in Hungary agitation in favor of a free market economy was very strong, as indeed I had realized when I was preparing my presentation. The situation was, indeed, amusing, its amusing nature being heightened by the fact that one of the handful of other foreign participants, in addition to myself, was one of Great Britain´s leading philosophical proponents of the free market and of privatization during the Thatcher Era, Roger Scruton. I of course believe that what I had to say there was also *true*, as well as amusing under the circumstances. My beliefs in this respect have not changed very much since then.

So very much has happened in Eastern Europe since then, since the summer of 1988. My contribution to this colloquium will consist of brief comments, little more than statements of theses, under the following headings: (1) the nature of the formerly existing socialist reality; (2) the situation of Western, in particular American, socialists in light of its collapse; (3) socialism as ideal; (4) capitalism as ideal; (5) actually existing capitalist reality; and (6) possible new world orders.

(1) *The nature of the formerly existing socialist reality.* The majority of the participants here have had much more firsthand experience of this reality than I. But to refer to its "nature or essence", as those legions of writers and ordinary individuals on both sides of former dividing lines who now dismiss the socialist era in Eastern Europe as one ghastly forty-five year historical mistake must do in order to make such a sweeping generalization, is to oversimplify to a disastrous extent. One may attempt to generalize about it on the basis of personal anecdote, of widely shared common experience, of social scientific data, of high-level theoretical perspectives from such varied fields as education, economics, politics, and psychology, and of even higher-level statements of philosophical world views.

At each level, I want to insist, it is easy to generate mixed and contradictory, rather than purely negative, appraisals of formerly existing socialism. At the anec-

1 Oxford University Press, 1973.
2 See *Perspectives on Ideas and Reality*, ed. J. C. Nyiri (Budapest: Filózofiai Posztgraduális és Információs Központ, 1990), p. 3 (Nyiri introduction).

dotal level, one citizen´s tale of imprisonment for political dissidence has to be set off against another´s story of opportunities being made available by the mechanisms of a socialist system for someone who would never have had them under previous regimes; one foreign visitor´s account of harassment by unfriendly authorities must be balanced against another´s narrative of experiencing the socialist experiment as a source of hope. The latter happened to me on a number of occasions under diverse circumstances, beginning with my very first day in a socialist country, in a small Slovenian town where I was unexpectedly forced to spend a night in the summer of 1960.

At the level of common experience, I acknowledge that, long before the late months of 1989, the majority of eastern European regimes had lost most of whatever aura of legitimacy they might once have had in the popular consciousness; but this lack of legitimacy was not always or everywhere the case. The huge anti-Communist rallies of recent times should not be taken, as they so often are by triumphant anti-Communists, as proofs that there was never, anywhere, a substantial number of people supportive of socialist goals and socialist measures; this would simply be a falsehood.

At the level of data, some actual socialist regimes at various times scored impressive advances according to a number of social scientific measures of success, such as living standards, productivity of goods, average education and health levels, and so on. The deplorable general stagnation and then retrogression of more recent times should not, once again in the interest of truth, cause us to forget this.

As for theoretical perspectives from various disciplines, it must always be remembered that the measures of a successful society within any given discipline are never self-evident or given *a priori*. For instance, should a psychologist assign higher marks, in terms of social psychological well-being, to a society in which polls show overwhelming majority support for a political leader, or to one in which there is a vast amount of measurable discontent? The answer is that it all depends on the nature of the leader and his or her policies and/or on the shape and orientation of the discontent. But to evaluate such matters obviously takes us beyond the limits of psychology as such.

Even economics, the disciplinary perspective from which, I think, there is the highest measure of consensus and from which the most decisive criticisms of the socialist regimes of the recent past have come, is by no means self-validating. No one can seriously deny, of course, that a regime that has difficulty meeting citizens´ most basic needs when this is not a problem in otherwise comparable neighboring countries is an economic failure; experiences of the past winter come readily to mind. But it is obviously not a purely economic judgement when we deliberate whether an economy with great prosperity for the very rich and the upper middle class but grinding poverty for the lowest 10 or 20 percent of the population, such as the U.S. economy, is preferable to one that modestly satisfies almost all of the citizens´ basic needs. Nor can it, by definition, be an *economic* judgement that stipulates as a policy goal the encouragement of a sociocultural atmosphere in which values *other* than the purely economic one of maximizing monetary gain are regarded as of greater importance than the latter.

In discussing high-level theoretical perspectives from which the actually existing socialist regimes of the recent past might be evaluated, I have obviously begun already to deal with the topic of socialism as an *ideal*, even though I began by distinguishing between ideal and reality. That is because, of course, in human experience and in truth the two cannot be completely separated. What I am implying, though in fear and trembling both because of the extreme hostility that this suggestion evokes everywhere today and because of the fact that I am a foreigner, an outsider, in the lands in which socialist experiments were undertaken, is that at moments - *at moments* - and *in some important respects* at least some of the formerly existing socialist regimes can be said to have been really superior to both existing and ideal capitalist regimes from important theoretical perspectives, including even the economic perspective. But such a suggestion can be rationally justified only from a higher-level theoretical standpoint, call it a philosophical standpoint, which considers alternative ideals of what Aristotle called "the good life" and opts for a socialist one. Before making a few additional remarks about this high-level theoretical vision of socialism as an ideal, however, I think it important for me to offer some

comments about an important topic relative to the formerly existing socialist regimes about which I *can* claim more the status of an insider.

(2) *The situation of Western, particularly American, socialists in light of formerly existing socialism´s collapse.* I recall a small article in an American newsmagazine some five or seven years ago concerning socialist thought at American universities. In it, Bertell Ollman, who has co-edited a couple of volumes about such thought across various disciplinary boundaries entitled *The Left Academy,*[3] was quoted as saying that the Soviet and Eastern European regimes were thorns in American socialists´ sides and that he was constantly being forced to disassociate himself from them. This attitude of Ollman´s was always common, though by no means universal, among us. There were, indeed, some American philosophers, including many members of the Society for the Philosophical Study of Marxism, formerly called the Society for Dialectical Materialism, who remained enthusiastic about the Soviet system. I myself often wrote the words, "the so-called socialist countries", as a way of expressing my distance and my disapproval of the enormous gap, to which I referred at the outset of this paper, between the ideal and the reality. I always regarded as very sound the argument that one could not reasonably discredit socialist theory on the basis of the enormous distortion of socialism that was the Soviet system.

But in me, at least, and no doubt in many others there was a certain ambivalence about all of this. I wanted to take some pride, if for no other reason than the despicable nature of so much of Western capitalist practice, in the admittedly very flawed efforts at creating workable socialist societies that I was able to observe. This pride was felt particularly strongly, again by many besides me, with respect to Yugoslavia, since its proclaimed guiding principle of socialist self-management was more attractive, because more democratic, than that of what is now called a "command economy".

To revert once again to anecdote, I recall a business meeting of the Eastern Division of the American Philosophical Association, about fifteen years ago, at which a resolution supporting the so-called "Belgrade Eight" philosophers, most or all of whom are among the sponsors of our current meeting, in their struggle with the central and Serbian governments was being debated. No one opposed supporting them, of course: the debate turned on wording in the resolution that appealed to the high ideals espoused by the Yugoslav regime, then still under the direction of Marshal Tito, including the principle of self-management, in order to deplore its practices in the situation under discussion. Robert Nozick, whose influential anti-socialist book, *Anarchy, State and Utopia,* had not yet been published at that time, was the speaker against the resolution whom I best remember. I spoke in support of it and against Nozick´s qualms, and it passed by a very large majority.[4] It was, once again, a

---

3 See in particular B. Ollman and E. Vernoff, eds., *The Left Academy* : *Marxist Scholarship on American Campuses* (New York: McGraw Hill, 1982), pp. 115-65 for section on philosophy written by Marx Wartofsky.

4 "Dear Mr. President, Marshal Tito:

We have been following with great interest the building and democratic development of an equitable and free society in Yugoslavia during the last two decades. We are, therefore, alarmed and depressed by repeated reports, recently appearing both in the Yugoslav press and other journals. It is now reported that some Yugoslav publications are being suppressed, passports of Yugoslav citizens confiscated, and Yugoslav intellectuals put on trial for the expression of their views. We are especially concerned by the reports of decisions taken in local political organizations in your country to remove from their teaching positions eight professors - some of whom are internationally known - as well as editors of philosophical journals and their associates, on the grounds that their published views are allegedly incompatible with those of the Yugoslav League of Communists. We are writing to express our deep concern over such reports of violations of Academic Freedom.

We address you as an association of philosophers who are united in our profound hope that the present political changes will not lead to a deterioration of the conditions for scientific and cultural activities in Yugoslavia. →

question of ideal *versus* reality. The entire situation was filled with the kind of ambivalence that both American and West European socialists so often felt, just as much as did many of their Eastern European counterparts, including at least some of the "Belgrade Eight" themselves.

So where do *we* stand now? I can report that there is in my country a great, continuing interest in socialist values. For instance, my fall-term 1990 graduate course on recent Marxism scholarship was one of my largest graduate courses ever, and a majority of the students were sympathetic to Marxist thinking and critical of capitalism. A special meeting of Midwest socialist scholars and activists, held last fall in Chicago and modelled in large measure after the annual spring Socialist Scholars´ Conference in New York City, drew a number of participants far in excess of what the organizers had anticipated. Similarly, the New York meetings remain extraordinarily popular and successful. But here, too, ambivalence is thoroughgoing, extending well beyond the question of just what to think about developments in Eastern Europe to that of whether even the *label* or *name* of "socialism" should be preserved, given how thoroughly it appears to have been tainted by events.

Philosophers, of course, must resist being controlled by names or labels. But it is also true that we cannot be indifferent to their changing connotations in ordinary language. "Socialism" today has a very, very bad press in many, even most, parts of the world. But if we do not call what we espouse "socialism", then what are we to call it? Surely not "liberalism", for instance, unless thousands of persuasive pages written by radical political philosophers over many decades to demonstrate liberalism´s shortcomings as a blueprint for the truly good society are simply to be discarded. Once again, we wallow in ambivalence. I personally favor keeping the name, "socialism", *coute que coute*. But I do not pretend my opinion should be authoritative in this regard. In any case, just what *is* this socialism that I think needs to be guarded?

(3) *Socialism as ideal.* The answer to this last question is by no means obvious. As everyone knows, even among those who are not repelled by the "socialist" label there is a vast range of definitions of what it means. Today, it probably needs to be disassociated from "Marxism", a word that has received an even worse press than "socialism" has. This is, in my opinion, regrettable. Marx never attempted to decree a socioeconomic *system;* he had good in principle philosophical reasons for opposing any such thing. But it is now almost universally assumed that he did so decree and that the system that he decreed is the discredited system of the formerly existing socialisms of Eastern Europe. What was best in Marx, as Korsch and Lukacs saw long ago, was his development of a critical philosophical method that could be applied with devastating effect to capitalist ideals and practices. Marx´s socialist ideal, then, was defined negatively, that is, as a social structure in which the principal fatal flaws of capitalism, such as its commitment to the priority of private profits over human needs, would have been eliminated or at least drastically reduced. But rhetorical strategy, given the enormous amount of ignorance and sheer disinformation

---

With respect,

Faithfully yours,
(Officers´ names)
for the Eastern Division,
American Philosophical Association

Robert Nozick objected that the first sentence of the letter implied a positive evaluation of the degree of democracy in Yugoslavia, that this sentence was political in character, and superfluous to the intent of the letter, and moved that it be deleted. The motion was seconded. William McBride opposed the motion to delete the first sentence on the grounds (1) that it in effect expressed sympathy with the goals of the very philosophical colleagues we desire to support and (2) that it was rhetorically important for the overall impact of the letter. Robert Cohen argued that the sentence was not a political endorsement but a strategic appeal to the self-image of the Yugoslavian powers-that-be. The motion to delete the first sentence was then put to a vote and failed." - *Proceedings and Addresses of the American Philosophical Association,* Volume XLVI, 1972-73, pp. 144-45.

about Marx that is so widespread among the global public today, probably dictates disconnecting Marx´s name from this critical method in philosophical literature and colloquia. I have noticed, for instance, that his name, even in its adjectival forms, appears nowhere in the seminar listings of the Inter-University Centre at Dubrovnik for 1990-91, whereas even in 1989-90 it appeared in several places, and prior to that it was very frequent.

So how *are* we to understand the ideal of socialism? My own proposal, which is consistent with what I have said about Marxism as radical critique, is to view it as a vision of a possible future society - a *global* vision, a *global* society - which, while not committed to absolute egalitarianism (whatever that might mean), is totally committed to minimizing hierarchies of dominance and subordination wherever they are found. This includes reducing the present hierarchical dominance of economic values over other human values in everyday life and the present hierarchical dominance of certain local societies, in particular of the American and Western European societies, over others in international affairs. This is, quite obviously, "just" an ideal, at best asymptotically approachable, never completely attainable. But it is no less noble or valuable for all that. One of the greatest errors of Marxism - as it evolved into its so-called "ortodox" version of Marxism-Leninism was its implicit denigration of many social ideals because of their possible connection with metaphysical idealism. Lenin himself is not entirely to blame for this: in *What Is To Be Done?* he offered a very lively and amusing defense of the theme, "We ought to dream", against stern colleagues of limited imagination who, he thought, would object to this proposition. But while very limited imaginations and limited intellects characterized a great many of those who claimed to be proponents of the socialist ideal in this century, some of whom, notably Stalin and his epigones, took to liquidating contemporaries who *did* have more vision and to preventing untold numbers of others, through a totalitarian system of censorship and intellectual control, from ever attempting to make the contributions that they might have made, still these facts are not a function of the socialist ideal as such. Indeed, if my approach to the socialist vision makes sense, these historical developments were in direct contravention to the socialist ideal. Whereas, it seems to me, the limitations of capitalism as an ideal are intrinsic.

(4) *Capitalism as ideal.* Philosophers, such as Nozick or Scruton, who are most strongly committed to this ideal are virtually unanimous in acknowledging that it is nowhere purely instantiated in the actual world. But of course they would like to see movement in the direction of its ever-purer instantiation. So would George Bush, to the limited extent to which he has achieved any intellectual clarity in these matters. What needs to be remembered is that the free market capitalist ideal, even if it should come to be espoused by vast majorities of the world´s populations, intrinsically entails a very limited vision of human possibilities, based on a deliberately jaundiced, cynical, and fixed conception of human status. It assumes universal egoism; it places an almost magical faith in the mechanism of a blind, non-human, vectorial force, the market, over direct human control of economic life; and it valorizes aggressively competitive behavior over behavior of caring and sharing.

Above all, while its leading advocates have in fact not usually expressed open contempt for spiritual and cultural values - indeed they have often invoked certain such values in its support, as illustrated by Adam Smith´s classical metaphor of the "Invisible Hand" -, nevertheless the capitalist ideal cannot consistently account for the existence of these values; if the human being were really *homo oeconomicus*, then would it not be a mistake even for single individuals to devote any substantial amounts of time to, for example, artistic endeavors or philosophical conversation - to say nothing of the financial support of such activities by public institutions? It is consistent, given their premises, for advocates of the capitalist ideal to decry public support of education, research, art, and virtually any other human activity except military defense; the acceptable option, for libertarian thinkers, with respect to promoting spiritual and cultural affairs is between purely private support of them by interested isolated individuals, and allowing them simply to die out.

In raising these considerations concerning Capitalism as an ideal I an doing nothing more than summarizing a few core elements of the innumerable criticisms

of it that have been made by thinkers from a vast range of alternative standpoints - Platonist, Christian, Marxist, and so on. If one embraces the cynical conception of human nature that, as I have said, underlies this ideal, then on may well take the position that capitalism should be accepted *faute de mieux;* it may be regrettable, but no alternative will ever "really" work, or work well. There is no thoroughly decisive argument against such a position nor in favor of any particular type of socioeconomic structure other than capitalism, although it must always be pointed out that other systems, including formerly existing socialism, have existed in various places at various times in the past. What will be said about these cases by proponents of capitalism as an ideal is that they did not work well, or at any rate that the structures in question would not work well under modern technological conditions; and they will then no doubt point to formerly existing socialism as a horrible example of what they mean.

To me, however, the thought of abandoning radical criticism and the search for socioeconomic alternatives to capitalism - the perspective of "Der Mensch ohne Alternative", to cite ironically the title of one of Leszek Kolakowski´s early essay collections - is terrifying. Such an attitude will perhaps be better understood if we turn from this very brief consideration of capitalism as ideal, a form in which, as I have already pointed out, it has of course never been fully realized, to capitalism as actually existing, albeit in "imperfect" and compromised versions.

(5) *Actually existing capitalist reality.* Most advanced economies today are mixed. Even before the mostly peaceful revolutions of 1989 and 1990, the Eastern European economies were themselves mixed, but in forms that generally worked strongly to the disadvantage, both economic and psychological, of their own citizenries relative to those of countries to their west: the insidious growth of dependence on I. M. F. and other Western banking loans and the demoralizing proliferation of so-called "dollar shops" are two examples. The nations of the European Community are interestingly mixed in their economic structures: capitalist "privatization" initiatives have been popular in many of them in recent years, but there are offsetting counter-currents that may well cause a swing in the pendulum in the near future.

A purer, though by no means truly pure, version of capitalism, however, is to be found in my own country, the United States. Of special interest here is the trend towards what was called "deregulation" that began during the years of the Carter Presidency and blossomed fully under the ideologically-driven regime of Reagan. The justification of "deregulation" was that government supervision of industries, such as the airline and banking industries, ran counter to the logic of capitalism and should be eliminated as much as possible. The results, though they have taken up to ten years or more to come to fruition, have been catastrophic in many ways. Without rehearsing the details, I can say that the U.S. government is expending vast sums of tax dollars, collected from all of its citizens, to subsidize, retroactively, luxurious living on the part of a relative small number of individuals who took advantage of the removal of supervision to line their own pockets.

Meanwhile, the gap between rich and poor in my country has increased very measurably. One area of life - and, as it turns out, of death - in which this gap has some of its most clear-cut consequences is that of health care. Health insurance is private, not public, except for certain elderly persons, and the result of a combination of developments in the health care field is that approximately one-quarter of our population have no such insurance. What this entails is that, although there remain a few possibilities for care in life-threatening situations for those who are uninsured and who also cannot pay, the poor and even many members of the middle classes simply do not seek medical help in any but the most extreme circumstances, while the wealthy have ready access to the most advanced medical techniques in the world. We are, through the logic of capitalism as applied to the health care industry, selecting our dead: namely, those who are not playing the capitalist game, or at any rate not playing it well.

This is also happening on a global scale. Vast capital resources have come to be concentrated, just as Marx foresaw, in comparatively few hands, and those hands,

which are neither invisible nor, by and large, the hands of single individuals but rather of multinational corporations, control wealth and poverty in the most remote areas of the world to a degree of which Marx never dreamt. *This* is actually existing capitalist reality, a domain of systematic inequality and injustice beyond measure. Here, too, at the global level, the gap between the wealthy and the poor keeps widening. But another novelty, in addition to the collapse of previously existing socialism, confronts us as we survey this global scene in the spring of 1991; it is a new effort to consolidate, ratify, and consecrate this state of affairs. It has been given the simple unimaginative name of the New World Order.

(6) *Possible new world orders.* There have been somewhat similar slogans in the recent past. One that comes readily to mind is the New International Economic Order, the N.I.E.O., a great favorite ten of fifteen years ago. It was an economists slogan for focusing attention on the so-called North-South gap and ways of reducing it. Some of the same economists who proposed panaceas for reducing this gap are now busily privatizing Eastern European economies and exuding the same false confidence about their success in this endeavor that they used to exude about the N.I.E.O. Another slogan, of earlier provenance, is the movement of non-aligned nations. Yugoslavia took the lead in attempting to revive it during the Gulf War - a great irony, I thought, in light of Yugoslavia´s very precarious status as a nation. By and large, these efforts at new orders have failed spectacularly in their stated objectives.

What worries me most about Bush´s New World Order is that it could conceivably succeed. For it is predicated, I believe, on a vision of international capitalist hegemony that threatens to stabilize global injustices for the foreseeable future, while eliminating not only alternative systems but even discourses about alternative systems. The postmodernists´ deconstruction of existing totalities remains a serious possibility only as long as there exists some toehold outside of these totalities. The New World Order, though its articulation has thus far been quite vague, is clearly intended to totalize the mechanisms of world politics and economics in such a way as to leave no such toehold. I base this appraisal on what I consider to be a fairly comprehensive knowledge of Bush´s major statements relevant to this matter.

We are, in fact, increasingly becoming One World. In that sense, at least, Bush´s imitative is timely. The nationalist movements in Yugoslavia, the U.S.S.R., Czechoslovakia, and elsewhere are, to my mind, understandable counter-currents that do not and cannot reverse the general trend, which is closely tied to technological advances. What is at issue is the structure of this One World, and it is here that the *ideal* of socialism must continue to play a role. It can no longer do so - barring a truly spectacular and universal collapse of world capitalism that I regard as barely possible, perhaps, but extremely unlikely - in the form of socialist revolution. The only *praxis* that seems to me realistically possible for us now is in highly localized opposition to existing hierarchies and, above all, in the life of the spirit. For example, a new philosophical worldview, reconceiving the nature of human values, needs to be constructed on the ashes of so-called "scientific socialism". This in itself is being made more difficult by the tendency towards privatization of educational and cultural institutions, resulting in cutbacks and demands that survivors conform to the dominant ideology in many places. This ideology is usually called "democratic", but in fact this noble term often serves today as a code name for "capitalist"; the two are by no means identical and in fact are under many circumstances antithetical. However, the many discouraging aspects of the current situation must not be permitted to overwhelm. Our One World is still very much in flux, and, contrary to the "orthodox" interpretation of Marxism of the recent past, the future is open.

In conclusion, almost every sentence in this presentation of mine could have been expanded, argued for, and extensively factnoted. It has been presented, because of time constraints, in something approaching thesis form, as a contribution to this effort at reviving the spirit of Korčula by one whose memory of the Korčula Summer School has remained an inspiration in supporting my ongoing commitment to certain basic human values, and above all to the essentially anti-capitalist spirit of community.