



Reviving socialism from below: Capitalism's biggest crisis since the 1930s raises the question of what can replace it.

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A SPECTER is haunting capitalism. As the world economy plunges into its worst crisis since the Great Depression, political discourse in the United States has been dominated by a discussion of socialism. John McCain accused Barack Obama of supporting socialist policies during last year's presidential election campaign. Since then scores of right-wing pundits and talk show hosts have been screaming that the new administration, with its stimulus bill, bank bailout plan, and unprecedented budget deficits is turning America into either a European socialist state or a Leninist dictatorship.

While Obama claims, correctly, that his big spending plans are intended not to bury capitalism but to save it, a February cover article in *Newsweek* declared "We are all socialists now" (although in a companion article—written before the scandal of \$165 million in government-funded bonuses for AIG executives who had wrecked the company—it also reassured its readers that there will not be a revolution in the U.S., because Americans don't hate the rich). *Newsweek* pointed out that the crisis had already forced the Bush administration to spend hundreds of billions of dollars to bail out the banking and mortgage industries, and that it had earlier passed "the largest expansion of the welfare state in 30 years," in the form of a prescription drug benefit for Medicare recipients.

But as Frederick Engels argued back in the 1870s, even state ownership of particular industries is not the same as socialism and is, in fact, quite compatible with support for capitalism. Commenting on events in Germany at the time, Engels noted,

Since Bismarck went in for state-ownership of industrial establishments, a kind of spurious socialism has arisen, degenerating, now and again, into something of flunkeyism, that without more ado declares all state ownership, even of the Bismarckian sort, to be socialistic. Certainly, if the taking over by the state of the tobacco industry is socialistic, then Napoleon and

[conservative Austrian chancellor] Metternich must be numbered among the founders of socialism.

If socialism means more than state ownership or state intervention, then how should it be understood? In the past, most socialists defined their ideology by pointing to concrete models, whether Stalin's Russia, Mao's China, or the expanding social democracies of Western Europe. But the Stalinist command economies collapsed, Mao's China was replaced by a system of market exploitation, and Europe's social democrats—including Britain's Labor Party and France's Socialist Party—long ago transformed themselves from defenders of the welfare state to advocates of privatization, deregulation, and other neoliberal policies.

The upshot of all this is that just as it is becoming obvious to millions of people around the world that we cannot solve our economic and environmental crises without replacing capitalism, many established figures on the left have little to offer in the way of strategy because they no longer know what socialism means.

Nowhere is this more obvious than in a recent series of articles in the *Nation*, on “Reimagining socialism.” As a columnist in the *Financial Times* wryly noted, “one writer after another [in the *Nation*] admits they cannot reimagine socialism.” This is a little unfair, since some of the contributors to the series do make some valuable points, most importantly that socialism can only be built on the basis of mass struggle by working people and their allies. But it is notable that many contributors to the discussion fall into the old trap of seeing socialism either as a collection of piecemeal reforms to the existing system or as based on the elaboration of detailed plans for administering society at some unspecified point in the future. A little history may shed some light on this.

SOCIALISM HAS in fact been a contested term ever since it was first coined in the early nineteenth century. In the 1830s and 1840s it was often used to refer to anyone addressing the major social problems of the day, irrespective of what solutions they were proposing. That is why Marx and Engels discuss not only “critical-utopian socialism” in Section III of the *Communist Manifesto*, but also “reactionary socialism” (including “feudal” and “petty-bourgeois” socialism) and “conservative or bourgeois socialism.” It was precisely because the label was so vague that Marx and Engels initially preferred to be called “communists,” both because this term was unequivocally linked to the abolition of private property and, just as importantly, because it was the name preferred by the most radical sections of the workers' movement.

Looking back forty years later, Engels noted that in the 1840s “socialism” was associated with “the most multifarious social quacks who, by all manner of tinkering, professed to redress, without any danger to capital and profit, all sorts of social grievances,” and who had no connection with the workers' movement. On the other hand, those workers who “had become convinced of the insufficiency of mere political revolutions, and had proclaimed the necessity of total social change,” called themselves “communists.”

Thus, in 1847, socialism was a middle-class movement, communism a working-class movement. Socialism was, on the [European] Continent at least, “respectable”; communism was the very

opposite. And as our notion, from the very beginning, was that “the emancipation of the workers must be the act of the working class itself,” there could be no doubt as to which of the two names we must take.

But in the second half of the nineteenth century, “socialist” came to signify not merely concern with “the social question,” but opposition to capitalism and support for some variety of social ownership of the means of production. So, while never abandoning the term “communist,” Marx and Engels also became quite happy to call themselves socialists. What is most distinctive about the kind of socialism that they supported, however, is that it can only be created through the active participation of workers themselves. The American Marxist Hal Draper called this conception “socialism from below” and contrasted it with various varieties of “socialism from above,” in which an elite imposes change on a passive working class. Historically, most versions of self-described socialism—including both Stalinism and social democracy—have been varieties of “socialism from above,” which from Marx and Engels’ perspective was not genuine socialism at all.

Unlike the utopian socialists, who drew up intricate blueprints of post-capitalist society (which they sometimes attempted to put into practice on a small scale), Marx and Engels never speculated on the detailed organization of a future socialist or communist society. The key task for them was building a movement to overthrow capitalism. If and when that movement won power, it would be up to the members of the new society to decide democratically how it was to be organized, in the concrete historical circumstances in which they found themselves.

Nevertheless, Marx did comment in a more general way about what could be expected to happen if workers were able to seize control of the state. In the *Critique of the Gotha Program* (1875), Marx notes that, because a socialist society will not develop “on its own foundations” but will emerge from capitalist society, it will therefore be “in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges.” At this early stage of its development, although some goods and services (such as housing and health care) would be provided to everyone, and although no one would grow rich at the expense of others, work would be rewarded in proportion to a person’s contribution.

Only later, when work has been reorganized to become truly fulfilling, so that “labor has become not only a means of life but life’s prime want,” and when the level of production has consequently increased, will it be possible to go beyond market incentives and reward people not in accordance with their individual contribution, but in accordance with what they need to flourish.

MARX AND Engels’ vision of socialism from below is not simply a historical curiosity, but a vital part of successfully refashioning a socialist movement for the twenty-first century. The perspective of socialism from below offers a way of navigating between cautious reformism, which aims to humanize capitalism rather than to replace it, and utopian fantasy, which constructs blueprints for a future society with no strategy for their implementation.

In the *Nation*’s debate on socialism, the perspective of cautious reformism is articulated most openly by the left-wing economist Robert Pollin. Pollin agrees that “socialism is desirable as a

longer-term vision of a just society,” but argues that now is not the time to “advance a case for full-throttle socialism,” because “we do not know what a socialist economy would look like, nor do we know how to move from our current disintegrating neoliberalism to something approximating socialism.” Instead, Pollin advocates a “realistic” approach of pushing “a social justice agenda” while continuing to raise questions about how to go further.

Socialists certainly need to be realistic, and nobody on the left will object to fighting for social justice, but the problems with Pollin’s approach emerge as soon as he looks at the concrete proposals he offers. Even though the near collapse of the financial system has opened a debate in the mainstream about whether the banks should be nationalized, Pollin rejects this as too risky, arguing that failures and scandals would continue under state control and that public anger might be shifted from Wall Street to the federal government. Instead he advocates more regulation of the private banking industry. Similarly, rather than a massive publicly funded research effort to develop new energy sources and seriously tackle the environmental crisis, Pollin proposes “large government incentives for private businesses to profit from clean energy investments.”

The bottom line is that Pollin’s reforms are so cautious that they fail to make any serious challenge to the status quo. Instead, they are little more than a recipe for propping up capitalism at vast public expense, which is precisely why they are already the preferred policies of the Obama administration. The private banks have already gobbled up hundreds of billions of dollars of public money and will likely require hundreds of billions more. Meanwhile, as John Bellamy Foster and others have argued, the idea of a market-based solution to the environmental crisis is a fantasy. Pollin’s proposals are “realistic” only if our goal is to preserve the existing system for as long as possible, not if we hope to create a movement to replace it.

This last idea is key. The perspective of socialism from below does not reject the idea that we should demand reforms, but it measures success largely in terms of whether the fight helps to mobilize, energize, and radicalize a movement that can fight for more. The call for nationalizing the banks, for example, is important not because socialists have a ready-made blueprint for how to run the financial system, but because a full-scale government takeover would be a further blow to free market ideology and give people confidence to demand more public encroachments into the private sector.

Socialists need to argue, first, that the failure of “socialism from above” is not an argument against the radical democratic restructuring of society from below and, second, that the key practical task is to organize and encourage people to engage in grass-roots struggle to defend jobs and wages, fight evictions and foreclosures, oppose racism, immigrant bashing and other forms of oppression, and to force federal, state, and local governments to enact policies that will benefit people at the bottom of society. Ultimately, socialism will succeed or fail depending on whether the growing anger against the injustices and failures of the present system can be channeled into such struggles, and whether they can be linked together to create not just a call for change, but a challenge to the ruling order itself.

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