

# **SOCIALISM AS A PRACTICAL ALTERNATIVE**

## **INTRODUCTION**

The present age of modern capitalism is one of deep illusion. The hopes placed in the politics of the last century have remained unfulfilled. We now confront the fact that in embarking on the new century the human race is in danger of self-destruction. The suffering that results from continuing problems is incalculable. Deaths from starvation and disease are numbered in the millions annually. Across the globe, communities are divided by conflict and the lives of individuals are carried on as meaningless struggles. Any hope for a world of unity, democracy and material security has dwindled into a universal feeling of powerlessness in the face of massive problems that appear to be beyond control.

Those who held out better hopes for humanity at the beginning of the last century envisaged none of these conditions of modern life. Now we have entered a new century. What are the probabilities for the future based on the record of the past? Will the 21st century repeat the failures and disillusion of the last century on yet a greater scale? Must we in turn fail to hand over a better world to succeeding generations?

Surely, the important question is why, given the best things that humanity can achieve, and why, given the common desire for a better world, do we continue to suffer this failure? Why do we seem unable to bring our relationships and everyday actions into accord with our common need for cooperation and material well-being? These are the questions that socialists set out to answer. In going over the ground of failure it is not our intention to contribute to prevailing pessimism. On the contrary, we reject it. We say that we can solve our problems. We say that a better world is well within our grasp, and that the work of achieving it must begin now.

The power and responsibility for constructive action is within every individual. A world organized solely for

human needs can be established and this depends on nothing more than one simple and ordinary human ability that is universal. This is the ability of every individual to cooperate with others in a worldwide community of interests. It is only through socialist political action that this ability can be acted upon immediately. It is the purpose of this pamphlet to set out the means by which socialism could establish world unity, and on this basis the possible practical means by which social problems could be solved. In outlining the basic features of organization through which socialism could achieve this we do not presume to lay down in advance what a growing socialist movement must do. The possible lines of action and organization that are proposed in this pamphlet arise from the objectives that the socialist movement is now organized to achieve, but they are put forward solely as proposals. Whether these are taken up would be entirely the result of democratic decisions of the general populace once socialism is established. The object is simply to suggest practical ways in which existing problems could be solved by taking the present powers of production and useful social organization forward on a socialist basis.

In considering the practical ways in which socialism could solve existing problems, it is important that the necessary changes should be kept clearly in mind. Socialism does not require the abolition and replacement of the entire structure of production and all existing forms of organization. What is required is a fundamental change in the social relationships through which these are operated. This will be achieved by the institution of common ownership of all resources and means of production. This will establish the relationships of cooperation through which socialism will solve the problems, starting off from the useful powers of production that it has taken over.

We are not therefore formulating some ideal concept of the future, to which we expect the entire structure

of society to suddenly adapt itself. The proposals we are putting forward arise from the existing material position of society. They consist of the ways in which the existing structure of production and forms of social organization can be adapted and developed solely for human needs, on the new basis of common ownership.

## **CHAPTER 1: WORLD CAPITALISM**

Two hundred years ago the development of capitalism gained impetus from the industrial revolution. From Western Europe it spread irresistibly across the world. Now, the overwhelming majority of the world's population has been absorbed within its social relationships and the market system. Capitalism has imposed itself on the many different traditions and ways of life throughout the world.

In Western Europe and America, capitalism developed in its more individualistic form through private enterprise. With the state capitalist revolutions of the 20th century it adapted to the traditions of state control as in Russia and China. Capitalism is now the dominant world system, operating in every country either through its private or state forms or a mixture of the two.

Capitalism is a system in which the means of production are owned or monopolized by a privileged minority. The great mass of producers lives by selling their labor power for wages or salaries. The minority class of capitalists, including the ruling class of state capitalist countries, lives on the surplus wealth produced by the workers. Goods take the form of commodities that are produced for sale on the market with a view to profit. Capital accumulates through the exploitation of workers: no employer hires workers without the prospect that new wealth will be produced to a value greater than that paid out in wages.

The development of capitalism out of feudalism brought with it an entirely new system of production and distribution. One result of this has been that society has lost control of what is produced. Capitalism developed with the use of labor in a new form: the serf labor of feudalism was replaced by the wage labor of capitalism. What was different about this development was that goods were no longer produced for direct consumption; as commodities, goods came to be produced for sale on the market. In

this way, production came to be regulated by the capacity of the market for sales, and therefore society lost direct control over the productive process. This is the position of world capitalism now.

Every brand of government has to accept this basic feature of capitalism — namely production for profit — and no theory of so-called “economic management” has ever succeeded in bringing about policies that have been able to overcome it.

Throughout the world we find that human needs are denied while millions are unemployed and production cannot go ahead. Class interests, the profit motive and all the constraints on social action that inevitably arise from this, dominate the use of labor, on which the life of society depends.

Moreover, capitalism is inherently a system of ruthless competition. Worker competes with worker for jobs; business competes with business for sales and profit; nation competes with nation over commodity sales, spheres of economic and political interest, the control of trade routes and sources of raw materials. Economic constraints and the destructive forces of competition govern every sphere of life. In its worst form this gives rise to war with the result that millions of lives have been destroyed during this century. Even in so-called “peacetime” the preparation for war causes a massive waste of labor, materials and technology in the arms race.

The insanities of modern capitalism and its persistent problems arise from the pressure of human needs on an economic system that cannot provide for them. It is an insane system because capitalist society is driven in an uncontrolled way by the antisocial forces of class interests, the profit motive and ruthless competition. This is the main reason why ordinary hopes for peace, cooperation and material security remain denied whilst we are threatened with ultimate obliteration. The vital question is how do we rescue a world of sanity from this chaos? How do we establish a society that can be organized democratically in the interests of all people? Such a society can only be organized on the basis of common ownership, democratic control and production solely for use.

By common ownership we mean the conversion of the present class monopoly of the means of life into a system where the entire powers of production become freely available for use by the whole community. This

means that land, industry, mining, manufacture, transportation, communications and all resources must be held in common by all people.

By democratic control we mean decisions being made by the whole community. This will not mean that responsibility cannot be delegated to groups or individuals, but that their decisions will be subject to democratic scrutiny by the whole community. To achieve this, workers will need first to combine to remove the power of the state to impose decisions on us from above. Then, we ourselves will be able to take responsibility for the organization of production and social affairs, and act on our decisions through cooperation. By production solely for use we mean bringing production into direct line with human needs. Instead of the wages system, work will be carried on as cooperation between producers. Instead of production for sale on the market, goods will become available for direct consumption by the community, and individuals will have free access to what is produced according to self-defined needs.

Operating together, common ownership, democratic control and production for use are the only bases upon which society as a whole can consciously regulate social action in the interests of the whole community.

## **CHAPTER 2: THE POLITICAL OBJECTIVE**

The question of what would be the basic features of democratic organization in socialism cannot be separated from the objective that the socialist movement is now organized to achieve. Initially, the outcome of the present political work would be the gaining of control of all the powers and machinery of governments. The achievement of this objective will mean that socialist delegates will be in place, locally, nationally and, in the case of bodies such as the European Parliament, internationally.

More than this, the socialist movement is a world movement. The interest of workers is a common world interest and therefore rises above existing national or international political structures. In representing this interest the socialist movement must take control as a coordinated world movement.

In view of the objection that socialist ideas might develop unevenly across the world, the fact should be noted that before an overwhelming numerical majority

is achieved, socialist ideas will be in the forefront of political debate throughout the world. Even in the US, a relatively small party of say 20,000 socialists would be in a position to present socialist ideas internationally. World cooperation already exists between the companion parties for world socialism. Linking up through developed organization, a small fraction of the world's population would still constitute a movement of many millions. These millions of socialists would be able to keep socialist ideas before the overwhelming mass of the world's population. In any case, given the nature of communications in the modern world, it is inconceivable that the growth of socialist ideas and organization could be confined to limited locations.

As well as the development of world organization, socialists organized in their local areas would probably prepare programs of action for immediate implementation once the movement has gained control of the powers and machinery of governments. So, two key elements are involved in these developments: first, an ability to maintain socialist ideas in the forefront of political argument as the most urgent and practical means of solving social problems; second, the preparation of programs of action in advance of the capture of political power. Such programs will no doubt include the ways in which the present machinery of governments could be converted for the purpose of useful administration in socialism.

The exercise of power by the state is one of the ways through which the present class domination of labor by capital is maintained. Therefore the socialist movement must take this power out of the hands of the capitalist class. In the first instance the capture of political control will render the capitalist class powerless. Furthermore, on this basis, with a majority of socialists having taken over democratic control, the common ownership of the means of production will be instituted. This will involve stripping the capitalist class of their monopoly of the means of living and the conversion of all land, industry, mining, manufacture, transportation, energy supply, communications and resources, into the common possession of the whole community. At the same time the state will be abolished and this means that the socialist movement will lose its political character. What will commence from this point will be the democratic administration of classless society and production solely for needs. As we have suggested, the practical ways in which

this will begin, as part of various community actions to deal with problems, will have been prepared in advance of the capture of political control.

When we speak of the abolition of the state, we mean the abolition of the power of the capitalist class to maintain their monopoly of the means of production, and control of society. Any useful feature of the previous state machine would be converted as part of the new democratic administration.

Much of the work carried on as part of the existing machinery of government would have to be maintained, modified or expanded. This includes the work of housing, education, health, transportation, and welfare departments; strategic planning offices; firefighting services; or any other body that the community might consider useful.

Administration in socialism would therefore dispense with the redundant features of the previous machinery of governments that had maintained and enforced class rule, and adapt and expand all those useful functions necessary for administration to meet human needs. Administration will be democratic at local, regional and wider levels and will take place through democratically elected delegates.

### **CHAPTER 3: DEMOCRATIC DECISION-MAKING**

Although the socialist system of democratic administration may be based on a structure adapted from the existing system of government, it would work in a completely different way. Under capitalist governments, through their control of the state machinery, they lay down the law and impose it on the whole of society, if necessary by force. In America, for instance, central government devolves some limited powers of decision-making downwards to the state, county, and city levels. It is also represented upwards at the United Nations. But in all these cases the center of control remains the national government. With socialism this dominant feature of the structure will be immediately abolished. The power of the state, which operates from the concentration of centralized power in the hands of governments, will be replaced by a fully democratic system through which decisions will flow from the broadest possible social base to represent the views of the whole community. A democratic system of decision-making would require

that the basic unit of social organization would be the local community that could elect delegates to a local council that could be given the responsibility for local administration. If, for example, local communities in socialism began by operating from the basis of the existing structure of counties, this would give 3,000 local communities. This would be a democratic development of the existing procedures for electing local councils that could become the basic means for dealing with day-to-day local issues. Then, regional councils could provide organization through which decisions affecting wider populations could be made at the regional level. Similarly, delegates elected to a world council could make global decisions.

An important feature of this world organization is likely to be the work of specialist bodies. For example, the Food and Agricultural Organization of the UN (FAO) is easily adaptable for a useful role in assisting world food production. The FAO already functions as a specialized agency of the UN and could operate in association with a world council in socialism. It is organized in 147 countries and has 4,000 planners and technicians drawn from all over the world. It produces scientific papers which bring together research material from many different countries, maintains a library of knowledge on food, agriculture, forestry, fisheries, nutrition, conservation, the environmentally safe control of pests and diseases, etc., and has published a census of world agricultural resources. In 1978 the FAO completed a soil map of the entire world using techniques such as aerial photography and satellite surveillance. This combines details of climates and soils and sets them against specific crop requirements, all of which has built up a picture of potential world food production. It stores information in its own computer system which has the potential of being linked with a network of computers and thus of communicating with all localities and all parts of production.

In socialism a world specialist body like the FAO could be concerned with coordination, assistance and advice. It would be in a position to provide this service against a detailed world picture of all the problems associated with the need to increase world food production in ways that would be safe within the natural systems of the environment. This is not to suggest that such world bodies would be entirely centralized and operating from a single world location. They could operate regionally and locally

and their members could be involved in any scale of activity where the necessity might arise. Other examples of world specialist bodies that could continue to operate in socialism in adapted forms are the International Telecommunications Union, the Universal Postal Union, the International Civil Aviation Organization, the World Meteorological Organization, UNESCO and the World Health Organization. Specialist world bodies could also monitor the reserves and uses of finite materials, the control and use of space and environmental problems in general.

The procedures for electing delegates to the various councils could vary, but would include mechanisms whereby the councils could be instructed by majority poll. On an everyday basis, the responsibility for deciding upon routine matters could be delegated to such councils, and providing they had sufficient members, they would broadly reflect general opinion. But, in certain circumstances councils would want to ascertain the view of the whole community on specific questions. In these cases a majority poll could be carried out, and the same method could be used to challenge council decisions where this was thought necessary. With modern communications the means for carrying out majority polls would be straightforward and would present no difficulties. In their final detailed form, which would doubtless vary from region to region, the arrangements made for everyday decision-making would be the outcome of the democratic wishes of the whole community.

Society could delegate certain decisions to people who take on the responsibility for running particular parts of production or services. For example, in workplaces committees could be chosen to coordinate and organize production, subject to democratic control by all of those involved. Where the numbers of people are few, for example, in the running of small-scale services, no doubt work will be organized along more informal lines. But wherever responsibility has been delegated to an individual or group, this would only be with the consent of the whole community. Democratic checks on councils, committees, groups or individuals to whom responsibility has been delegated, would mean that ultimately control would still be exercised by the community as a whole.

The important point to be made about an integrated world system of cooperative decision-making is that

decisions would flow throughout the structure upwards from local communities. This would replace centralized control by governments. Such a system would be adaptable, for any purpose, on any intermediate scale between the local and world levels.

## **CHAPTER 4: ORGANIZATION OF PRODUCTION FOR USE**

### **The Buying and Selling System**

At the present time production is organized on three levels:

1. At the world level, we have the supply of raw material such as the various metals; energy sources such as coal, oil and natural gas; agricultural products such as cereals, wool, cotton and sugar; world transportation such as shipping and air freight; and world communications.
2. Industry and manufacture are more regionally based with raw materials being processed for the production and assembly of component parts of machinery and finished goods of all kinds.
3. Although some local production takes place for local consumption, for the most part local organization is concerned with such activities as building, and the running of local services.

Individuals, small groups and large organizations, which interact with each other and alter the pattern of the whole, carry on this production as a result of decisions and actions. This works through communications, and under capitalism, the information that is communicated between the various parts of production is mainly of two kinds. First, quantities of required materials and goods are ordered and supplied throughout the network of production. This happens from the mining of raw materials through to the assembly of finished products. Second, all these worked-upon materials and goods have prices attached to them. So any invoice that passes between the various parts of production specifies both quantities of goods and materials and their prices. A mining company, for example, might supply quantities of iron ore to a smelting plant together with a price. This plant would process the ore and then supply quantities of iron and steel to a foundry, which would convert the iron or steel into component parts

of machinery or goods. In their turn, component parts are passed to assembly firms that put together the final product. In final distribution the finished goods pass from wholesalers to retailers and then to buyers. At every stage, these quantities of worked-upon materials and goods are passed on at a price that covers accumulating costs plus profit.

We see that under this system of production the entire sequence of work activities is governed at every stage by the possibilities for sales. And one of the claims made by the defenders of this system is that it is the only way to bring together all the dispersed activities that make up modern world production. It is argued that, because buying and selling require goods to be priced, this reduces the many different work activities involved in modern production to a common unit of measurement that is money. It is therefore claimed that the use of money enables modern production to be rationally organized.

But in fact, costing and pricing are not intended for the purpose of organizing production. The function of pricing is to fix costs in order to make profit. A business must calculate its costs. These include the cost of the materials that it buys in from suppliers and the cost of wages it relates these costs to the time taken by workers to produce a given amount of goods. These accounting procedures are concerned not with organizing production but with calculating costs to which the business must add a figure representing its rate of profit. Unless the market price of the commodity being produced is higher than the cost of producing it, there would be nothing left for profit, and profit is what capitalist production is all about. Costing is part of calculating profit and this has nothing to do with the practical organization of production. In reality, the market is a barrier against the full use of productive resources.

Even the human commodity, labor power, has a price — in the form of wages. The exploitation of workers means that they receive in the form of wages and salaries less than the value of the goods and services they produce. In practice, costing and pricing are ultimately about calculating the exploitation of labor, enabling the capitalists class to live and accumulate capital from the wealth which the working class produces but does not consume. The value of this surplus is realized in the market through the sale of commodities. This is the economic object of the

operation of the market system; it is organized for profit and the accumulation of capital.

### **No Need For The Market**

Socialism will remove every factor of value, cost and price involved in production and therefore there will be no use for money. As marketable commodities under capitalism, bread, shoes, housing and, indeed, labor power are in value relationships to each other that are expressed through prices. In socialism these value relationships will not exist. Capitalism is an exchange economy that begins with an exchange of workers' labor power for wages and ends with the realization of profit through the exchange of goods for money in the market. Socialism will relate productive activity directly to needs. Production for use will begin with cooperation between producers and end with the direct supply of goods to the members of the community for whose needs they have been produced. Only socialism can be a practical system for the production and distribution of goods directly for consumption.

Socialism could rationalize the organization of world production through local, regional, and world structures that would correspond generally to the tiers of decision-making that have been outlined in the previous chapter. This could provide organization for any need or purpose. It could provide for the initiatives of small groups or individuals within local communities and at the same time it could deal with problems allowing for society as a whole to act on a large scale and to take a more long-term view.

### **Practical Possibilities**

In practical terms, needs would arise in local communities expressed as required quantities of machinery, equipment, building materials, and the whole range of foods and consumption goods. These ounces, pounds, tons, gallons, cubic feet of required materials and goods would then be communicated throughout the distributive and productive network. The monitoring and communications of needs, expressed as a demand on stocks or required production, would be clear and readily known. The supply of some needs would take place within the local community, as for example with food production for local consumption, local building, maintenance and the running of local services. Other needs would

be communicated to regional production units. For example, local building might require glass for housing that was produced regionally. A local need for glass would then be communicated through the distributive network and would pass to the regional glassworks. In its turn, the glassworks would have its own suppliers of the materials used in glass production, so the required quantities of these would then be passed on. This would be the sequence of communications through which a local need for glass would be transmitted to every unit involved in glass production within a region. Other needs would be communicated throughout the structure of production up to a world scale. Local food production might require tractors. Regional manufacture would produce and assemble the component parts of tractors for distribution to local communities. These would be required in a definite number and therefore a definite number of required component parts would also be known. Again, the tractor manufacturer would communicate these requirements to its own suppliers. Eventually this would extend to world production units that would be mining and processing the raw materials, such as metals, required for tractor production.

This could be a self-adjusting system of production for use. It would operate with the communication of needs expressed as required quantities of materials and goods, at the local, regional and world levels. The abolition of the market system would remove every element of exchange, the use of money, and all cost/price factors from the operation of production. This would leave all the useful features of production to be freely operated directly for needs through social cooperation. There is no doubt that production for use would be greatly assisted by modern communications. Traditionally this has meant means of transportation such as roads, railways shipping and, later, air transport. These were assisted by the development of postal and telephone services. Now electronic communications through satellite links provide for instant worldwide contacts, and computers enable millions of bits of information to be stored and processed. Modern information technology could be used in socialism to bring into direct relationship various dispersed but connected parts of world production. This would be particularly useful for monitoring the position of stocks, productive capacity and resources.

Production for use without the market would also solve the seemingly perennial problem of economic instability. Because the forces of the market govern capitalist production, it moves through uncontrolled cycles of expansion and contraction. During “boom” times production expands. However, during a “boom” some industries produce too much for their particular market. Competition to sell the excess commodities reduces prices, leading to reduced profits, or no profit at all. Companies then scrap plans for further investment, reduce output, and lay off workers no longer needed. This in turn affects the markets for other industries and, if the combined effect is large enough, results in a depression and high unemployment. Without the market, production for needs in socialism could not be constrained by the limits of market capacity. In fact there would be an immediate expansion of production to satisfy needs. Whereas “overproduction” is a permanent problem for capitalism, in socialism, when production had realized its aims, it could be adjusted without any of the destructive effects of a depression under capitalism. Production for use could make available a permanent stockpile of some useful materials, in excess of immediate needs. While there would be no point in stockpiling ever greater reserve supplies, nevertheless current production could aim at “topping off” available reserves as these were distributed for use.

## **CHAPTER 5: PLANNING AND DEVELOPMENT**

Socialism will deal with problems on the basis of common ownership, democratic control and production for use. With useful labor acting in cooperation, socialism will release vast resources of human energy and skills in the interests of the whole community. The strategy for the deployment of these resources is given now by the nature of existing problems, which only socialism can solve.

Socialism must immediately stop people dying from hunger; it must ensure adequate world food production. It must house the world’s population in comfort, providing for the basic necessities of piped clean water, drainage systems, decent cooking facilities and so on. In socialism we must establish a safe world energy supply, stop pollution and adopt techniques that could work within the natural systems of the environment in nondestructive ways. We must bring into balance the world distribution of the means

of production and transportation systems, storage facilities, etc. We must extend health services, education facilities, and further develop communications of every kind. For this work, socialism would begin with a structure of production that is distorted by waste and the arms race, and is inadequate for all the real needs of the community.

These aims would have to be accomplished in some order of priority. They could only be achieved in stages, doing what was manageable in the first instance, monitoring the progress made and then taking further steps. They would provide an overall direction for day-to-day initiatives in various locations as part of worldwide cooperation. They are given now by existing problems which socialism must solve.

For the purpose of planning the development of production, information could be brought together through the work of information centers, which could collate the appropriate statistics. Such information centers could exist on local, regional and world levels. On the smallest local scale, information centers could monitor the position of stocks and productive capacity to meet local needs. By collating these statistics, regional information centers would be in a position to know the complete picture throughout the region. This could be achieved by also monitoring the position of stocks, productive capacity and needs among regional production units. A world information center could collate regional statistics in a similar manner. This would be a connected but decentralized world information system providing any combination of information that people required. Such planning could be concerned, for example, with housing, education, health services, land use, building, environmental problems, and provision for safety. Planning could also put forward specific proposals for developing the structure of production to provide for agriculture, energy supply, mining, industry, manufacture, transportation, communications, etc., throughout the localities and regions.

Such proposals for development could be placed before the democratically elected councils that could have various options open to them. Here again delegated function would be important. For some proposals, perhaps the location and construction of a new factory or workshop, or the use of land for housing, sports facilities, or any other purpose, these councils could be delegated the responsibility for

making a decision. The practice of delegating various functions and responsibilities is one that would operate within democratic checks.

For informed decisions on larger-scale development, councils could have the option of setting up a public planning inquiry. Such inquiries are already in use under capitalism, but their reports and recommendations are not subject to democratic decision. Such inquiries in socialism would assemble information on the widest possible basis from any relevant or interested source.

This process would involve considerations about priorities of need, the materials required in relation to their world supply and reserves, the proposed technology in relation to alternative technologies, conservation, protection of the environment, available skills, and so on. As with planning in general, the function of such inquiries would not be one of decision-making. Their essential work would be to collate information and issue a report, so that community decisions might be better informed. Initially in socialism, some regional communities, as part of their world responsibilities, would no doubt have to respond to the needs of people in other, less developed regions. In these places, although people would be doing what they could on their own initiative, it is overwhelmingly likely that they would have urgent needs that they would be unable to meet themselves. This would apply particularly to areas where the means of production are less developed than in others. An example of this is in agriculture; currently, for every 1,000 hectares of arable land in Europe, there are 60 available tractors and over 6 combine harvesters, while in Africa, for the same land area, there are only 2 tractors and 0.2 combine harvesters. In South America, where food production could be vastly increased through irrigation schemes, of the 108 million hectares of arable and permanent crop land in use, only about 6 million (5.5%) are irrigated. Similarly in Africa, only 4% of the arable land is irrigated.

This would mean that in view of the urgent need to increase food production and to assist with greater self-sufficiency of local food production in all places initially the regional centers of developed industry and manufacture would need to supply machinery, installations, storage facilities, and to assist with irrigation schemes in these areas. Also, there is likely

to be an urgent need for the setting up or improving of services and infrastructures such as those needed for health, transportation and communications. This would be part of interregional cooperation.

A world planning office, assisted by specialist world bodies, could present proposals for such interregional cooperation, through a world council. A world council would be comprised of delegates from every region, and would also have direct links with every kind of regional organization.

Nor would interregional cooperation in socialism arise solely as a result of uneven development in capitalism. A safe world energy system would be necessary treating the world as a single resource and as a common environment for all people. The utilization of natural materials would also be a matter of world concern. Inter-supply of some foods would take place between the tropical and temperate regions. Therefore interregional cooperation and development would be a necessary feature of world organization.

## **CHAPTER 6: ELIMINATING THE WASTE OF CAPITALISM**

It is often claimed that competition in the market brings about efficiency of production. It is even claimed that it maximizes the use of productive resources in the interest of society. But in reality the destructive waste generated by the market system is so vast and complex that it is impossible to measure it precisely. An idea of the extent of present waste can be gained by assessing whether a particular employment is connected with providing for real needs, or whether it is only involved with the operation of the market or the safeguarding of the property interests for which the market is organized. For example, does a bank worker contribute to real needs? In their work, bank workers spend the day counting out money or transferring totals from one piece of paper or computer file to another. Under capitalism it is obviously an indispensable employment. But this work arises from the lending and borrowing of money for investment and purchasing, bank account facilities, and so on, and therefore the work is inextricably bound up with production for sale at a profit and the day-to-day operation of the market system. It is not useful work necessary for the production of goods and the running of services for needs. It is part of the market system

that maintains an economic barrier between useful production and human needs.

If to banking we add insurance and finance generally we are talking of about ten million workers in America alone whose employment are socially useless from the point of view of real needs. But the waste does not stop here. Other workers service all these functions. For example, bank workers are carried to work by transportation, they work in buildings that require maintenance, and they use equipment such as computers. This involves other workers from mining, industry, manufacture, building, transportation, and energy. In this way the administration and servicing of the profit system involves circuits of waste that pervade the entire structure of production.

There are many other examples of employment which are necessary for the profit system, but which would be immediately redundant in a socialist society — legal workers, accountants, purchasing agents, estimators, claims assessors, underwriters, brokers, taxation workers, marketing and sales personnel, advertisers, social security workers, cashiers, police, prison workers, security guards, charities, armed forces, arms workers, defense agencies, etc., etc.

The armed forces in particular waste vast resources. They use of millions of people, and divert the most advanced techniques of applied science. On a world scale, tens of millions of people are involved in the war machine. With the abolition of the armed forces these vast resources of energy, skills, materials, and technology, would all become available for useful production in socialism. Moreover, wars, large or small, are always going on in capitalism, and means of production are constantly being destroyed. War objectives include the destruction of industrial networks and communications systems. In the wars of this century the destruction of factories, industrial equipment, buildings, railways, roads, bridges, represents a vast amount of waste. It also involves a massive waste of the labor used in their construction and reconstruction. In a sane society, all such means of production would serve out their useful lives for the benefit of the community. Instead, we have capitalism and they are destroyed in war.

More than any other kind of destructive waste, the human and material resources involved in the world's military symbolize the political and economic

insanities in which modern society is entrapped. This is demonstrated too by the work of bodies like the British Government Communications Headquarters (GCHQ) at Cheltenham. This title is a euphemism for an elaborate spy network that employs about 9,000 people in the headquarters and throughout the worldwide network of listening posts known as the Composite Signals Organization which spies on all other countries. It has its counterpart in America, the National Agency, and its equivalent set-up in Russia. Nothing could be further removed from world cooperation and the work of providing for needs. This example of destructive waste involves the most sophisticated communications technology. At GCHQ they have in use the CRAY 1, one of the world's most powerful computers, with a capability of making 150 million calculations per second and of storing 30 billion words. In socialism this technology and the highly skilled people involved could become part of a world information system. As has been stated, such a system could be utilized throughout the world for the useful work of monitoring production for needs bringing together a common pool of world information, with all people having free access to it.

Other people who are at present wasted under capitalism are the unemployed. They represent the whole spectrum of human skills forced into idleness while human needs are denied. This in itself constitutes the self-evident proof that the capitalist system maintains an economic barrier between production and needs.

A final acute problem of wasted labor arises from worldwide poverty. World population is about 6,524 million. That figure is set to reach 8,525 million by the year 2025. Estimates of the number of hungry vary. According to the US President's Science Advisory Council 450 to 500 million people are hungry. The World Bank's estimate (using different criteria) is 730 million without enough to eat to enable them to have an active working life; of these 730 million 340 million have diets insufficient to prevent serious risk to health and they suffer arrested mental development and have stunted growth. There are also millions who live below the official poverty lines in the so-called "developed" countries. All these people are demoralized, unable to develop their potentialities as useful members of the community.

The full extent of waste under capitalism is impossible to quantify precisely. But taking account of the main features, we can estimate that, with the elimination of all of capitalism's wasted labor and materials, socialism will probably be able to at least double the numbers of people available for the production of useful goods and services directly for need.

## **CHAPTER 7: CHOICE OF PRODUCTIVE METHODS**

We have emphasized that under capitalism work takes the form of employment and that this is a means to an economic end — profit and capital accumulation. Work in capitalism is not therefore simply a source of wealth production, and capitalism is not primarily a system for producing and distributing necessary goods and services. Moreover, capitalism is governed by economic laws that cannot be socially controlled. Since the possibilities for profit and capital accumulation are given by the possibilities of sales in the market, the competition between business enterprises determines the way in which production is generally structured. Whatever line of commodity production we look at, we find that production is organized in relation to market capacity and at all times under capitalism the capacities of markets to absorb goods for sale are less than the potential ability of society to produce and distribute useful goods. This means that the powers of production that exist are not fully used.

### **Gains In Productivity**

It is true that the development of capitalist production has been accompanied by increase productivity of labor, but the gains have been largely dissipated by waste and the rate of productivity has also been grossly exaggerated. For example, there are fewer workers directly employed in agriculture today than fifty years ago while outputs have increased. But the increase in productivity cannot be calculated from a simple relationship between the numbers of farm workers and output. Agriculture has become capital intensive and other inputs such as fertilizers, pesticides, weed killers, etc., have increased. This has involved a reorganization of the structure of production whereby workers in manufacturing and in the chemical industry are now involved in agriculture. When all these factors are taken into account the real gains in productivity are much less than is commonly

supposed. The position with capitalism is that productivity increased between half and one per cent per year between 1900 and 1950. Factors that have kept the rate of productivity down in capitalism are (i) competition, (ii) economic constraints, and (iii) class conflict.

### **i) Competition**

Competition creates situations such as the following. An enterprise, having invested in a process in a particular part of production expects its costs of machinery, plant, and buildings, to depreciate together with the production of commodity values that have been realized through sales. But if a competitor producing similar commodities for the same market invests in a more efficient process through which it can produce goods more cheaply but still profitably, then the first enterprise is faced with a choice. It can either reduce prices and make less profit, an option that cannot last, or it can write off its investment and reinvest in a more efficient process. In this way, useful means of production are written off, either because they are less profitable in use than the most up-to-date techniques, or through bankruptcy. Such machinery and equipment represent useful social labor that has not been fully used. This subtracts from productivity. It represents wasted labor.

### **ii) Economic constraints**

An example of the economic constraints imposed by capitalism is the fact that investment decisions must always be made against projections about market capacity that is inherently unpredictable. Market capacity constantly fluctuates and no one can foresee how it will behave. Depressions see a reduction of market capacity and a corresponding cutback in production, with millions of unemployed. But this does not only involve workers being made idle. It also means machinery lying idle in mining, industry, manufacture, transportation, and agriculture. This again subtracts from the overall productivity of labor.

### **iii) Class conflict**

In defending their position under capitalism, workers often actively resist the development of new productive techniques. They do this in an attempt to protect and conserve their jobs within the existing organization of production. In general, changes in productive technique are a threat to their position under capitalism. In addition, many workers engage in a range of subtly organized restrictive practices in an

attempt to defend their jobs. For many workers in capitalism, employment has no social meaning. It is a crude economic exchange — their labor power in return for the wages or salaries they need to live. It is not surprising, then, that the work process in capitalism is frequently pervaded by cynicism and worker disaffection. This atmosphere of wage labor is in sharp contrast to the spirit in which people can cooperate to complete a task when it is under their control, is in their interests and is not constrained by economic factors. Industrial strife and the meaninglessness of the work process in capitalism subtracts from the social productiveness of labor.

### **Socialist Production**

There are sound reasons for saying that in socialism the productiveness of social labor would be greatly increased. Historically, productive technique has seen a development from hand tools through machinery and assembly line systems to automation and now robots. But, as we have seen, the nature of capitalism is such that it can never use the technology available to its full extent. Within the freedom of work carried on in cooperation directly for needs, socialism could set up automated systems handling materials through sequences of production and minimizing the direct application of labor to the materials involved. The use of programmable robots that can be adapted to different operations means that these could also be produced in quantity by standardized methods of automated production. This provides the technical possibility that automated systems of manufacture, which would be flexible in use, could themselves be produced through these systems where necessary. Such automated systems using programmable robots allow for high volume, high quality production around the clock.

When these technical factors are considered, together with the increased number of people who would become available for useful production and the wide spectrum of skills which they possess; when it is considered that the setting up of these systems could be rapid and entirely free from the constraints of profit; that their intensity and duration of use will be unconstrained by the limits of market capacity; that such standardized means of production could be put into operation in the most efficient way throughout the world structure of production; that throughout this structure social needs could be immediately

communicated; that it would be the experience of every participant that their every action would be directly in line with mutual needs; then it can be seen that socialism could release enormously increased powers of production.

We are not here suggesting that the highly developed use of such automated systems would necessarily become the dominant method of production in socialism. In socialism we would be free to adopt the most advanced “labor efficient” techniques where they were considered to be necessary or appropriate, but what was necessary or appropriate would also take into account needs other than those of a strictly material kind. Work itself is an important need and care of the environment and conservation are also vital. Other factors must also be taken into account such as social safety and the protection of other species. So socialism would be unlikely to use methods like assembly line systems that reduce workers to mechanical functions as a way of maximizing output. This cannot satisfy the need for work as a fulfilling activity.

Socialism would be unlikely to follow the example of capitalism in energy production where a cheap and competitive way of converting fossil fuels into electricity causes massive release of pollutants into the atmosphere. Socialism would not need to take the risks involved, as capitalism may be obliged to do, in the construction and use of fast breeder nuclear reactors. Massive inputs of fertilizers may be a necessary part of the competitive production of food in capitalism but socialism would be unlikely to want to saturate the land with harmful chemicals. The confinement of animals in the dark and in cramped spaces may be part of the most “labor efficient” method of converting cereal inputs into meat products, but socialism would surely not carry this on.

## **CHAPTER 8: CONSERVING RESOURCES**

In changing the productive relationship between people, socialism will change the relationship of society to nature. These go together. Capitalism is not simply based on the exploitation of labor. It exploits anything in nature that it can get its hands on. This means that before society can control its impact on the environment, it must first be able to consciously regulate its own actions. In order to “cooperate” with

natural systems, society must first cooperate within itself.

Human beings are a part of nature, but we also view nature as something separate to be used to provide us with the material means of life. In capitalism, when we view the natural environment, we not only see land, seas, forests, river valleys and deserts as spectacular and beautiful landscapes, but we are also aware that they contain resources such as coal, oil, natural gas, various metals such as iron ore, copper, tin and many other materials. These natural resources are not just useful raw materials but they also exist in an economic form. They not only provide the basic elements for producing useful things, they also represent potential profit for the capitalist class.

A farmer does not view land simply as land, a useful resource for the production of food. In the eyes of agribusiness, land is also an element of capital, operating for profit and further capital accumulation. An oil or mining company does not view oil reserves or iron ore deposits simply as useful features of the natural environment. It views them as resources to be exploited for the benefit of capital.

As capitalism has spread across the world to become the dominant world system, so has the entire planet come to exist in an economic form in which human labor works on the natural environment for profit. Capitalism exploits labor working on natural materials. It does so blindly in accordance with economic laws that cannot be rationally controlled. This means that the impact of production on the environment is hardly taken into account; it can only be a secondary consideration to the main purpose of capitalist production — profit.

Compelled by the profit motive and the development of its war machinery, world capitalism is altering natural systems on a scale that endangers their self-recovery. As a result of its destructive production methods, capitalism releases millions of tons of sulfur dioxide into the atmosphere, increases the level of radioactivity in the environment, saturates the land with industrial chemicals, creates deserts, and pollutes the rivers and seas. Forests and life in the rivers, lakes and wetlands are being killed off. Apart from the desolation, all this combines to form massive unknown risk and threatens alteration of the balance of natural systems on which human life depends.

Care of the environment is not primarily a technical problem. It is a problem arising from the social relationships of production. By freeing labor from its exploitation by capital, socialism will also free the natural environment from this same exploitation.

With a direct relationship of work activity to needs, socialism will be free to work with methods that ensure the care of the environment. The fact that such methods might involve the use of more labor will not matter. Socialism will have an abundance of labor to work with in providing for needs and will not be constrained by the profit motive and competition to use the least amount of labor in production. The aim will be to organize production in ways that will minimize the negative effect on the environment.

Socialism would have no difficulty in adopting a practice that is impossible under capitalism. This would be the practice of “conservation production”. Socialism would protect the balance of natural systems and would also conserve natural materials. The profit motive involves a plundering of natural resources against a background of market pressure to constantly renew capacity for sales. Cheap, shoddy articles and disposable goods involve a massive loss of materials. Design for planned obsolescence is deliberately aimed at short-term use. The rotting hulks of million of cars, billions of used tires and other consumption goods are the ugly evidence of massive waste. No sane society would burn millions of tons of oil and coal in power stations without considering the alternative technology that already exists to produce electricity.

Socialism would avoid the loss and destruction of resources. It would require means of production, and the community would require consumption goods, but these could be designed and produced in a way that would be conserve materials. Such design could aim at a minimum of wearing parts, which, with simple maintenance, could be easily replaced and the materials recycled and used again. The parts not subject to wear could be made from durable materials, and if for some reason equipment or goods became redundant, their materials would be available for other uses. The materials lost from wearing parts would be a small fraction of the total materials in use. This practice of conservation production would mean that once materials became socially available after

extraction and processing, they would be permanently available for use in one form or another. A useful analogy is with gold. A small amount may be lost through accident, but because it is a precious metal most of the gold that has ever been mined throughout history is still socially available. For this reason it is said that gold mined by the early Egyptians is still in use.

Conservation production would mean the bringing into use of means of production of all kinds, permanent installation and structures, durable consumer goods, all designed and produced to last for a long time and, even when redundant, capable of being recycled for other uses. In this way, materials would be available as a lasting resource. Socialism can and will make greater use of productive techniques directly for needs but this would not result in unlimited production of material goods. The principle that would apply would be production solely for needs. What is meant by production for needs? It should be commonly agreed that society should provide for all its members enough good quality food, clothing, housing, piped clean water, sanitation, energy for heating, lighting and cooking facilities, health services and education facilities, entertainment, communications, means of travel and recreation. If this were accepted then the first task of socialism would be to apply its productive capacity for the supply of these material goods and services to every member of the world community. This would involve a rapid expansion of useful production achieved through a definite strategy of development.

The work involved in setting up necessary means of production will mean that they are available for a long time and this work will call for a high peak of initial activity. But as these become available for use it is evident that the need for them will be reduced. In this way production could fall, and the community will need only to concern itself with the day-today production of goods for consumption, the running of services, and maintenance. This could also have an effect on social organization. The practical means that we have outlined for the supply of information, planning and decision-making would be mainly called for by the need to adapt and develop the structure of production. Here we are talking about irrigation schemes, a safe world energy system, housing, drainage, clean water, roads, bridges, transportation, communications systems, etc.

These are the kinds of projects that would call for world cooperation in the supply of information, planning and decision-making. But after these have become available for use, not only might production fall but the need for information, planning and decision-making might also be reduced. So it can be envisaged that the centers of organization, involved initially at the world and regional levels, could give way to more local administration for the work of providing for daily needs, the running of services and maintenance.

What is possible here is a self-regulating society with work activity in balance with daily needs and in balance with the environment. What this could mean is that providing for the necessities of daily life would be more under local control and on a more self-sufficient basis involving reduced amounts of social labor. This would widen the scope for individual development, releasing talents and skills in diversity of expression. What we can be sure of at any rate is that socialism will not go on and on with the increased production of goods and services for the sake of it. This would be a self-imposed treadmill. We would not follow the example of capitalism where life's objectives are focused on the acquisition and consumption of material things. It will of course be important that people's material needs are satisfied but the concept of needs will no longer be based on the idea that increased happiness comes with increased consumption and possessions. Such an illusion, expressing the values of a market society fraught with insecurity, will give way to a responsible self-determined appraisal of needs that will reflect the sense of security and belonging inherent in a socialist society.

## **CHAPTER 9: COOPERATION**

### **Human Needs Denied**

Under capitalism, production begins with an exchange of the worker's labor time for wages and ends with the sale of commodities on the market, the object of this being profit and capital accumulation. The denial of human needs resulting from this is not solely of a material kind. The function of wage labor also involves the economic isolation of the worker and a denial of the need for cooperation.

In the capitalist economy, the wageworker functions as a seller of labor power and just as commodity goods compete for sales on the market, so does wage labor compete on the market. This conditions the way we see ourselves. But the idea that we are "naturally" competitive is a false one that seeks to justify the competitive nature of capitalism. The human species could never have succeeded without cooperation and, even now, without it life would be impossible.

Cooperation is to be seen now in the many voluntary organizations that exist. Trade unions, sports clubs, archaeological societies, local drama groups, the Red Cross, charities, all these operate mainly through voluntary cooperation. The daily life of families would be impossible if all the work involved took place only with paid labor in competition. Similarly, in emergencies, it is often voluntary effort that plays a large part in coping. The response of ordinary people to the plight of the world's starving shows the concern that exists. The medical and other volunteer workers who take risks in going to areas of destitution and the way people help one another in times of flood or earthquake, all testify to the spirit in which people can cooperate.

It is social cooperation that is the permanent basis for human existence and it is the economic competition of capitalism that actively prevents the need for cooperation from being fully realized. And it does this at tremendous human cost. Competition generates conflict, stress, insecurity, the isolation of the individual from others, and anxiety. It tends towards instability and the fragmentation of relationships. Cooperation brings about the reverse of these things. It means that the object of the individual and the group are the same and that all share a common interest. Therefore the efforts of one enhance the interests of all. In cooperation the individual develops in mutual accord with others and this provides for self-realization, personal security and integration. Through this, individuals have a stronger sense of their own identity and therefore a sense of meaning in their lives.

Modern production is social production. This means that what society can achieve depends upon individuals doing different things in different places, but that all these link up with the effect of improving the quality of life for everyone. But capitalism increases competition in social production and forces

all those involved to be economically isolated from each other. So far as the wageworker contributes useful labor to the production of useful goods and services, he or she is involved in worldwide social production. But this is not what capitalist production is primarily about. At every stage, all this work activity is dominated by the economics of production for sale at a profit. This forces workers into competition, individual isolation, and drains the work of its social meaning.

As sellers of labor power on the market, wageworkers are not in a direct relationship of cooperation with other workers. They exchange their labor power for the wage packet. It is this exchange that dominates the experience of work and not the element of cooperation with other workers. In work, wage workers are not responding to their own social motivations, but instead work is a response to the economic pressure to become employed, to keep a job, to get money to meet personal needs and the needs of dependents. Workers are governed by the market for labor which is itself governed by the market capacity for the sales of goods at a profit, and the way that work is organized is determined by the techniques and methods which are profitable. Wageworkers have no direct control over these forces that dominate their lives. All these factors combine to isolate workers and force them into competition with each other, while individual and social needs go unmet. Such isolation, absence of control and insecurity generate stresses and anxieties that damage personal and social relationships.

### **Human Needs Fulfilled**

In socialism, the human capacity for cooperation would be set free to operate where it matters most — in the organization, production and distribution of goods and the running of services. Cooperation would then operate throughout the entire structure of society. This will bring work under the democratic control of those who carry it out. It will be the self-determined activity of individuals, responding to the needs of the community of which they form a part and having responsibility and the real power of decision-making and action.

There are few problems that cannot be solved by useful labor, acting throughout the world in cooperation. This is the prospect that world socialism holds. In place of the far-reaching divisions that

separate capitalist nations, divide them into antagonistic classes, and extend to wageworkers in competition with each other, cooperation on the basis of common ownership can bring the world's people together. This will be the true power of social action. Combined with the powers of production that already exist, cooperation in socialism would, in a relatively short period of time, deal with problems that now appear to be beyond control.

### **Local Organization**

In outlining some of the ways in which socialism could be organized, we have emphasized local organization. Local organization would not prevent society from organizing on a worldwide basis. It would mean that decisions and actions affecting local populations could be dealt with at a local level, but local action would also be part of regional and world cooperation and, indeed, the different scales of organization necessary would enable the individual to think and act both locally and globally, as a member of the world community. The concept of “local life” is one that expands with extended communications and the idea of what is “local” becomes more difficult to define. The world problems of modern society mean that matters of world concern affect every individual. Modern production is world production. The life of every individual is affected by the ways in which modern production uses particular production methods. More than this, the quality of life may be expanded by variety, made possible by world contact.

It is often said that the spread of world capitalism is obliterating the variety and distinctiveness of local and regional cultures. This is true, and in a socialist society there will be no obstacles whatever to cultural diversity.

But contact and communication have also brought gains. The intermingling of cultures can mean enrichment and diversity in the experiences of every individual. We can now speak of the world as a “global village”. When Armstrong stepped out of his spacecraft and set foot on the moon, communications enabled many millions of people to feel involved with a single human event in space. These are the technical means through which the involvement of the individual with the wider world community can be realized. But this requires more than technique. It requires a social basis that can provide the individual

with responsibility and the real power of decision-making and action in cooperation. Capitalism cannot do this; it is a society in which the individual is a passive spectator swept along by economic forces over which he or she has no direct control. Only socialism can give this social basis since it is built on common ownership, democratic control and production for need and allows individuals to realize their full potential as human beings.

## **Chapter 10: Conclusion**

In this pamphlet we have referred to the disillusion that exists through the failure to solve problems. Central to this disillusion has been the mistaken idea that the nature of the present system can be changed by reformism of one kind or another, or by state control. In America and elsewhere, various governments have been formed with the intention of changing the nature of capitalism, so as to bring about a society that could work in the interest of the whole community. It was always inevitable that such ideas would fail. Far from being able to control capitalism, all governments have found themselves dancing to the tune played by economic forces.

The futility of reformism is not only easy to prove in theory. It is also demonstrated by the practical failure of reform policies. No government has succeeded in controlling the economy or the market system for the benefit of the whole community. The capitalist system is not only still intact, but it has developed on a world scale as a gigantic structure of exploitation. As a consequence, its inherent problems have also grown to world proportions. Its essential contradiction is that while it involves social production, the means of production are owned privately or, if not, monopolized through the state. Capitalism subordinates the entire world structure of production to privileged class interests and the anarchy of the market. These relations of production, the relations of wage labor and capital, can only be removed from the

structure by a democratic majority of socialists undertaking a single, conscious political act, the enactment of the common ownership of the means of living.

This change in productive relationships will bring social production into accord with social ownership and therefore into accord with social needs. The necessary means of achieving socialism are determined by the nature of socialism itself. A society organized as a result of conscious democratic control can only be established by conscious democratic means. The ends and means are inseparable. The movement for world socialism is already carrying on the work of establishing socialism, but it is vital that all who identify with its aims ensure its rapid growth.

To those who might think that the establishment of socialism is too big a job, or the action could be better directed at “improving” capitalism, we say that those who took the same view in years past contributed by default to the present status of society. The challenge of responsibility must be accepted. There can be no opting out without allowing capitalism to continue on its uncontrolled and destructive course. A sane society cannot be postponed without accepting the consequences of postponement.

There is no way to “improve” capitalism except to work for socialism and the growth of the socialist movement. Any addition of new members to the existing socialist parties carries with it political implications of the most far-reaching revolutionary nature. The only power that can change capitalist society is the democratic power of a majority of socialists acting in world cooperation. By becoming part of the action to build this organization and comradeship on a world scale we can act positively, and we can act now.