

Moral Socialism



by Frank Thomas Smith

The name of Socialism has become a dirty word. The fault lies with its extreme incarnation, Communism, as practiced by the Soviet Union, China, Cuba and several wannabes in Africa and Latin America. Here we will attempt to reconstruct socialism either in its original meaning or by giving it a new meaning:

“Since socialism entered English around 1830, it has acquired several different meanings. It refers to a system of social organization in which private property and the distribution of income are subject to social control, but the conception of that control has varied, and the term has been interpreted in widely diverging ways, ranging from statist to libertarian, from Marxist to liberal. In the modern era, “pure” socialism has been seen only rarely and usually briefly in a few Communist regimes. Far more common are systems of social democracy, now often referred to as “democratic socialism,” in which extensive state regulation, with limited state ownership, has been employed by democratically elected governments (as in Sweden and Denmark) in the belief that it produces a fair distribution of income without impairing economic growth.” [Merriam-Webster dictionary]

A definition of socialism is wide open, so we can do with it as we will.

And now, suddenly, out of nowhere, comes a Brooklyn born and bred Jewish politician, Bernie Sanders, whose political career bumped into being in Vermont, of all places, running for president of the United States and calling himself a “democratic socialist.” Use of the term “socialist” does not seem to have hurt his chances, although certain elements of party politics certainly will. Recall that Nobel laureate Alexander Solzhenitsyn, expelled from the Soviet Union in 1974, after a relatively short stay in Switzerland emigrated to the United States, to Montpelier, Vermont, of all places.

Alexander Solzhenitsyn and Rudolf Steiner were much more attuned to the spiritual artistic realm of society than is Bernie Sanders. Nevertheless, they both spoke out criticizing the socio-political order of things and recommending solutions. We would be justified in placing them both under the heading of “Moral Socialism”, however different their approaches.

Solzhenitsyn was a relentlessly courageous critic of the Soviet Russian regime and, to the dismay of the “left of the West”, an opponent of Marxism. Although he deplored state power, he also criticized western capitalism for being greedy and materialist. As long as socialism is not state socialism and reflects religious morality, he would accept it. I believe it was he who originally coined the term “moral socialism”.

Rudolf Steiner also abhorred Marxism, seeing in it the seeds of tyranny and materialism. In his autobiography he wrote:

“These people [the leaders of a socialist workers' school in which he taught history in Berlin] knew physical work and the results it produces. But they had no idea of the spiritual powers that guide mankind forward through history. That was why they so readily accepted Marxism and its

'materialistic interpretation of history.' Marxism maintains that the only forces at work in history are material and economic, that is, forces produced through physical work. Any 'spiritual-cultural factors' are considered to be a byproduct arising out of the material-economic sphere, a mere ideology."

In the opinion of modern-day Marxists their mentor, Karl Marx, was right, it only turned out badly in practice because the Russian Bolsheviks applied it incorrectly, as did the Chinese and everyone else who tried it. However, although Marx's criticism of capitalism was more or less accurate, his cure turned out to be worse than the illness: a so-called "dictatorship of the proletariat". A dictatorship of any kind is intolerable, even if meant as a temporary solution for human egotism and greed, to self-dissolve once mankind has been forcibly purified by the state – a truly absurd example of wishful thinking. A political state with unlimited political as well as economic power will inevitably become authoritarian, whether it calls itself a democracy, a republic, or not: Union of Soviet Socialist Republics, German Democratic Republic, Democratic Republic of the Congo, the Democratic People's Republic of Korea, commonly known as North Korea, etc. - all dictatorships.

Solzhenitsyn wrote:

"Marxism is not only not accurate, not only not a science, has not only failed to predict a single event in terms of figures, quantities, time-scales or locations (something that electronic computers do today with laughable ease in the course of social forecasting, although never with the help of Marxism) – it absolutely astounds one by the economic and mechanistic crudity of its attempts to explain that most subtle of creatures, the human being, and that even more complex synthesis of millions of people, society. Only the crudity of some, the blindness of others and a craving for faith on the part of still others can serve to explain this grim humor of the twentieth century: how can such a discredited and bankrupt doctrine still have so many followers in the West. In our country there are fewest of all left! We who have had a taste of it are only pretending willy-nilly..." [Letter to the Soviet Leaders - 1973]

Solzhenitsyn was speaking from experience; Steiner, much earlier, predicted the outcome.

The conundrum is how to have a state which is truly democratic and is only concerned with its citizens' rights. The first condition is that it have no economic power. A Communist state has total economic power, including the control and administration of all industry, including agriculture, technically called "means of production". In addition to being over-powerful it doesn't work, because the political state is the epitome of bureaucracy and inefficiency. Modern capitalistic democratic states do not control or direct production, although they may make laws - anti-trust laws for example - to limit the most extreme elements of capitalism. Such laws are not very effective though.

Let's take the airline industry as an example. Not long after that industry was deregulated in the seventies under the euphemism of "open skies", many once great companies collapsed: PanAm, TWA, Eastern, Braniff, plus several South American carriers and, the best airline around, Swissair. And many others. When the bigger guys buy the smaller ones it is called "consolidation". There are many examples, such as Air France-KLM, Lufthansa-Swiss-Austrian, etc. It seems that in that particular industry, but in many others as well, Marx's prediction that the bigger guys would eat the smaller ones until there was only one giant corporation ruling the world, has come at least partially true.

The Free Market

Neo-capitalism still insists that wellbeing for all levels of society will result if free market forces are allowed to prevail. In practice, however, *there is no such thing as a free market*. What they really mean is a market in which the producers are free to produce what they want, of the quality and quantity they want, to sell at the prices they alone decide – whether or not the consumers even need or want the products. It is true that capitalism functions well if it is efficiently organized and knowledgeable people with initiative run its organizations, large, medium and small. But it is often

cruel and unjust. The results, the overwhelming percentage of profits, go to the now infamous “one percent”, while those 99 percent who actually do the work or are in need must be satisfied with the crumbs.

Let's look at the polarities: Capitalism and Communism

Capitalism is efficient but unjust. Communism is inefficient *and* unjust. Experience has shown that this judgment is true. What is needed, then, is a system that is efficient *and* just. We'll call it *Moral Socialism*.

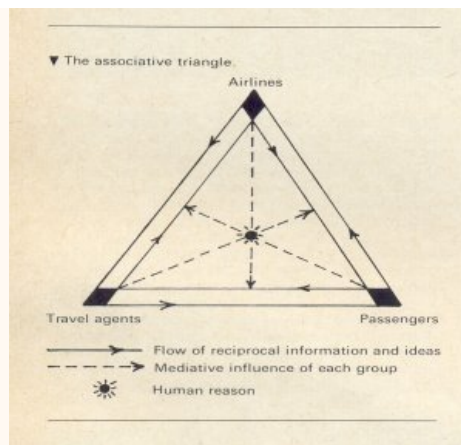
The three essential elements of society are the economy, human rights and spiritual culture. The French revolutionists in the 18th century had a great motto: Liberté , égalité, fraternité. However, they made the fatal mistake of trying to incorporate all three elements into a unitary political state. The state, however, should only occupy itself with human and civil rights, that is, Equality. The economy should occupy itself with the production, distribution and consumption of goods and services, that is, Fraternity. The spiritual cultural sphere should occupy itself with the artistic creative initiative of each individual alone or in cooperation with others, that is, Freedom. Therefore, Freedom applies to the spiritual-culture sphere; Equality to the rights-state and Fraternity (brotherhood) to the economic sector of society.

Objection: What does fraternity have to do with the production of goods and services? Reply: Actually, everything. When a product is made by a group of people – even in an automobile assembly line – that product is eventually purchased by someone not involved in the productive process – the consumer. Therefore, one group is producing for others, something which is, in essence, a fraternal process, although not consciously recognized as such.

In order to correctly configure the economic process (production, distribution, consumption), groups should be formed in which the participants in the process make the appropriate decisions: the producers, the distributors and the consumers. Going back to the air transport industry as an example, we see that the international airlines are already associated in the International Air Transport Association (IATA). Before deregulation, euphemistically referred to as “Open Skies”, the airlines were allowed to meet within the IATA confines in order to set fares and conditions of travel. They were exempt from anti-trust laws because air transportation was considered to be a necessary public service. With deregulation, anti-trust exemption ended, so they were no longer able to jointly set fares and conditions and the “free” market took over in a war of all against all until only the largest and strongest survived. Airline travelers who are old enough to remember will not have to be told about the sharp decline in passenger service, the increase in delays, missed connections, etc., despite much improved technology.

I am not suggesting a return to the old monopolistic fare-setting system. There was, after all, abuse. Although customer service was far superior, fares were uncomfortably high as well. But if the state is incompetent to control the process and usually corrupt as well, and a so-called free market turns the process over to the giants who engage in a game of thrones to the detriment of the consumer, why not turn the control process over to those who are directly engaged in the process itself, including those who, until now, have had neither voice nor vote in what they pay for: the consumers – (in the air transport industry the passengers and cargo shippers).

Process Groups consisting of Producers, Distributors and Consumers would be organized according to the product to be distributed and consumed. In the air transport industry these would be representatives of a) the airlines, b) the travel agents and c) the passengers. (The latter would certainly insist on being treated as human beings rather than sardines in Economy Class.) In the automobile industry: manufacturers, dealers, users. Almost all industries already have trade organizations at two levels: Producers and distributors; only the consumers are not organized. Theoretically, their interests are defended by the state, which in practice defends the interests of the highly-organized producers.



These Process Groups would have to be put in place by law, because it is unlikely that the producers would agree to having their power reduced. It should be understood that the same people – owners, managers, CEOs, etc. - would continue to run their companies, so personal initiative would not be affected. The Process Groups would decide on prices and quality. If the airlines want a certain price for transportation from New York to Tokyo, for example, or a manufacturer wants a certain price for a car, they must justify this figure to the Process Group. The consumers' representative would tend to want a lower price, the distributor would tend to be neutral because lower prices mean more sales, but higher prices mean higher commissions. The price, in other words, must be fair, reasonable and acceptable to the consumers.

One area which would not come under the Process Group's purview is staff/employee remuneration. This comes under human rights. That today CEOs and top managers earn so many times more than lower level staff is unjust and should be regulated by law. It is the responsibility of the rights-state to correct injustice.

Freedom in culture

The point on which Solzhenitsyn and Steiner agree is the need for freedom in the cultural sphere. This means that everyone be free from both political and economic coercion. If you prefer to be a poet or a musician rather than an accountant or a lawyer, and are prepared to exist at a minimum but decent level of physical comfort, you should be able to do so, but not at a starvation level. The initiative being considered in several European countries at this time for the rights-state to provide every inhabitant within its borders a Guaranteed Basic Income is a method which would eliminate poverty and make unemployment bearable.

The most essential aspect of the spiritual-cultural sphere is education, which is erroneously thought to be a legitimate function of the political state. The fact is that state-run education has been and is a dismal failure the world over. Private schools, generally speaking, do much better, but by definition they are elitist, not accessible to the great majority.

Schools at all levels and in all places should – logically and practically – be in charge of those who are most responsible for results: the teachers. The state must finance education as long as it collects taxes, but it should not control them nor decide on how much of the public budget is for education. Education is a function of the spiritual-cultural section of society. Its characteristic is freedom.

In our newly reconstructed definition of Moral Socialism, we have three *relatively* autonomous spheres of organization:

- the economic sphere, characterized by Fraternity
- the rights-state sphere, characterized by Equality
- the spiritual-cultural sphere, characterized by Freedom

Moral Socialism accepts the positive elements of Socialism and Capitalism and rejects the negative ones.

This is a mere sketch, a general outline of what Moral Socialism could mean if a serious attempt were made to put it into practice.

[Letter to the Soviet Leaders](#) by Aleksander Solzhenitsyn

[Basic Issues of the Social Question](#) by Rudolf Steiner

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