EVALUATING THE FEASIBILITY OF MARKET SOCIALISM

INTRODUCTION

The decline of Social Democracy, combined with the demise of Stalinism, has led to a discrediting of the aim of socialism. It is considered that either the application of the mixed economy results in inflation and increasing economic inefficiency, or alternatively the Stalinist centralised economy is unable to tackle the issue of consumer shortages and bureaucracy. In this context it will be argued that market socialism is the only valid alternative. Christopher Pierson defines this standpoint in the following manner: “At its simplest, market socialism describes an economic and political system which combines the principles of social ownership of the economy with the continuing allocation of commodities (including labour) through the mechanism of markets. For market socialists, it is not markets but capitalist markets, that is, markets which inscribe the social and economic power of private capital that are objectionable. They offer an alternative model in which markets are combined with varying forms of the social ownership of capital. Amongst its supporters, the market is recommended not only as a way of attaining greater economic efficiency under socialism, but also as a way of securing greater individual liberty or a more equal value of liberty, or increasing democracy and of enhancing social justice.”(1)

This is an ambitious understanding for a conception of socialism which has never been practically realised. In order to overcome this empirical limitation it is necessary to outline the most convincing theoretical model of market socialism as an alternative for capitalism. This means that it has to establish why it will be more democratic than Stalinism, and yet more economically efficient, whilst being able to tackle the problem of bureaucracy. However, it also has to express the perspective that suggests a principled and convincing form of socialism can be realised. The approach of market socialism will not work if we are essentially content to imply that capitalism should be modified in various forms. Instead market socialism still has to be revolutionary in its consequences, whilst being compatible with the continuation of a multi-party system. In this context, Pierson's definition seems to blur the distinction between a modification of capitalism and the contrasting alternative of the definitive transformation of society. For example, he still envisages the role of a market for labour. To define labour in terms of its commodification implies its continued subordination to capital. In contrast, a genuine and principled form of market socialism would limit the role of the market to the sphere of private consumption. Many of the services within society would be realised in terms of the importance of the public sector. Only in the important, but limited role of consumption, would a market be absolutely necessary in order to allocate goods and in order to meet material needs. This does not mean that the economy is based on centralised production and the role of a bureaucratic state. Instead the aim within the economy is to establish self-government of the producers, and in this manner the principle of a democratic plan would be established. In this context one of the most important aims is to reconcile the spheres of production and consumption in terms of the role of the market. But this aim would not be a justification of the influence of private ownership of the means of production, nor the domination of the market within the economy. Instead all that is being admitted is that there is no superior method devised by humanity for the allocation of consumer goods than the role of the market. This claim does not mean that the overall aim of economic equality or the building of a classless society should be rejected because of recognition of the role of market.

In other words the crucial question concerns whether we can combine the role of the market with the egalitarian objectives of socialism? The defenders of capitalism contend that private ownership of the means of production is necessary in order to generate the required specialisation that realises the complex needs of the market. Only private entrepreneurs can quickly decrease or increase production in order to relate to fluctuating levels of demand. This claim would seem to have some justification if we define socialism in terms of a centralised economy that is not able to vary levels of production of a given item in order to realise the changing level of demand. However, this viewpoint would seem to be contested if we are able to reconcile emancipatory forms of the organisation of production, such as the importance of self-government, with the connection of this form of economy with the role of the market. The point is that the impetus of production for the market would not generate the exploitation that occurs under a situation of the private ownership of the means of production. Instead industrial democracy would be the most important basis for the generation of the creation of goods for the market. Continuation of an aspect of capitalism, production based on the role of the market, would not mean that it was not possible to practice direct democracy within the workplace. This development is combined with the promotion of an accountable form of representative democracy, such as involving the recall of delegates.

What is being argued is that it is not the role of the market which is the primary aspect of the character of capitalism, and so would undermine the possibility of socialism if this type of society was established. Instead what makes the market an expression of the interests of capital accumulation is the importance of private ownership of the means of production and the significance of the profit motive. In other words if capital can become an alienated force that dominates over the activity of labour then this ensures that production for the market is part of the process of the development of accumulation of profit. What enables this situation to be overcome is the expropriation of capital by the role of the working class organised in the form of the role of the state. However, this activity will not acquire a progressive form unless it generates the development of industrial democracy. This implies the creation of workers co-operatives that produce for the market. This activity will be guided by the plan, which has an important role in deciding who produces the particular goods. Obviously the workers will consult with the state planners about what goods they would like to create. It could be argued that the workers co-operative will not want to create the goods that require the application of monotonous work. People will only want to create the products involving imaginative effort and rewarding results. However, it is possible that what seems to be boring work could be made more creative in terms of the transformation of mass production and the introduction of craft skills. This development has already been advanced in terms of car production and textiles within capitalism. Thus the central task of the socialist economy is how to reconcile the aim of generating non-alienating production with the demands of the market. If this compatibility is established there is no reason why market socialism should not become feasible, rewarding and efficient.

Pierson argues that there could be problems and tensions such as the tendency for workers co-operatives to acquire a monopolistic position within the economy.(2) He suggests that the state should decide economic priorities in this situation. But what would be preferable is for the given workers cooperative to consider the production of different goods, such as those that have little demand. The point is that it would require consultation within the various workers co-operatives in order to resolve the situation. Also, is a monopoly situation actually adverse and detrimental to society? Under capitalism monopoly does imply dominant and unequal power for certain capitalist companies, but within market socialism it suggests that certain groups of workers are efficient and able to produce goods that the consumer wants to acquire. This situation should not be rejected in terms of making a possibly ill-judged attempt to end the monopoly. Instead it might be possible to reconcile the monopoly situation with the interests of consumers. Only if flawed goods were produced as a result of the monopoly would it be possible to imply that the monopoly had become detrimental to the interests of society. Compromise and the possible organisational transformation of the given monopoly may be able to resolve the situation.

The underlying assumption of the above analysis is that the dynamism of advanced capitalism is creating the economic conditions for socialism. It is necessary to end the domination of private ownership of the means of production, the profit motive, and alienation, but the sophisticated organisation of the productive forces within the capitalist economy could be maintained in order to develop production in a socialist manner. In this context, the major issue is actually ideological and theoretical. Marx argued that the market had no place within socialism, and as a result the advocates of his standpoint have been reluctant to accept the importance of the market within the process of overcoming capitalism. This has been a mistake and led to economic hardship and repression. Furthermore, the market within advanced capitalist society is an integral aspect of economic activity. It is obvious that to reject the role of the market in the name of socialism would be a retrograde measure. Instead the task is to improve the relationship of the market to the process of realising the needs of the consumer. This means an increasing variety of goods, and the involvement of the consumer in the process of realising their wants. In this sense any aspect of alienation in the role of the market can be overcome.

THE CONCPTION OF MARKET SOCIALISM

Pierson outlines how most versions of market socialism imply the demise of the private ownership of the means of production. This development would go alongside public services and workers co-operatives. However, it has been argued that workers co-operatives are not genuinely socialist and instead primarily responsive to the aims of the profit motive. This point may have some validity under capitalism because the dominant system will influence the character of subordinated economic units like workers co-operatives, but under socialism the role of the workers co-operatives will become transformed. They will be able to connect to the equalitarian objectives of the new system, and therefore able to create goods that met important needs. The de-centralised character of the workers co-operatives need not be a problem, and instead the different workplaces will be able to connect to a specific aspect of consumer demand. Consequently the decentralised role of the co-operatives is reconciled with the interests of society in terms of the level of market demand it satisfies. There is no suggestion that de-centralisation should imply distinct interests that cannot be reconciled and accommodated with those of society. Instead the role of a plan should be able to successfully overcome any problems caused by de-centralisation. It is also necessary to outline that the goods of a de-centralised co-operative belong to society via the role of the market. Furthermore, the market dictates what should be produced, and in this manner any problems with the de-centralised character of the enterprise is overcome. It is also accepted that the workers co-operatives could not produce the necessary resources in order to create satisfactory public services. This is why the state would have to allocate resources for this task, but these services would still be administered in terms of the principle of self-government of the workers.

But, it could be argued that the necessity for possibly high levels of state intervention even under market socialism will mean that it is not possible to resolve the problem of a bureaucratic state: “What this suggests is that any form of market society which is to be consistent with the aspirations of market socialists will require a strong and interventionist state, indeed a state whose interventions would almost certainly be more extensive than those that we find in existing welfare states.”(3) However, the problem is not state intervention in and of itself, but is instead whether it results in bureaucratic interference in the economy and society. If the role of the market is respected under socialism, this could mean that interference is limited and only occurs in order to correct the very role of the market itself. The bureaucratic character of the state is generally because the emphasis on its economic is at the expense of the importance of the market. Emphasis on the market can resolve issues about the distribution of resources for consumption which means that the character of the intervention of the state is generally limited to the role of the public services and the issuing of some guidelines in relation to the plan. The point is that the dynamism of the economy is based on the primary relationship between the workers co-operatives and the consumers. The state would only have to intervene in a drastic manner if this relationship for any given reason was to be undermined. In what should be considered normal conditions, the ability of the workers co-operatives to supply the goods that people need would mean that the role of the state was limited to a supervisory capacity, and its ability to intervene was strictly limited or only necessary in an emergency situation.

It has been argued that the role of the market even under a supposedly socialist society could result in exploitation. Presumably this would be the result on unequal economic power between the particular workers co-operative and society, or within the co-operative itself. In the latter instance this would mean the formation of an elite who acted as a proxy capitalist class and began to exploit the labour of the members of the co-operative. These possibilities could occur, but if the market socialist society is generally principled and efficient these issues can be resolved without much difficulty. No society is perfect, and all will acquire problems and issues to tackle. But if society is still based on the principles of democracy the result is the ability to overcome difficult issues. Furthermore, the trade union should be able to outline a policy of how to end any unnecessary privileges within the co-operative, and measures should be taken to end the monopoly domination of the consumers by the given workplace. The point is that there will be disadvantages to the application of the market in the socialist society, but these limitations are less than the attempt to develop socialism without the role of the market. The major question is that we do not know the complete extent of the limitations of the market within socialism because this type of society has not been generally developed. What we do know is that the theory of market socialism can at least potentially overcome the real problems that occur in practice with a centralised planned economy. Furthermore, market socialism would also have extensive forms of regulation, such as the minimum wage, and possible price limits for certain commodities. The role of the market would not be identical to its application within capitalism.

Nevertheless an important objection to market socialism is that it would promote competition between different workers co-operatives. This situation would create the pressure for the reproduction of the dynamics of competitive accumulation that is reminiscent of capitalism. It would be complacent to deny this problem, which could arise because of the de-centralised nature of the economy. On the one hand de-centralisation can promote the ability to realise the diversity of consumer demand. On the other hand the role of production for the market will influence each enterprise to become competitive with other enterprises. The dynamics of capitalism would seem to arise in this situation. In order to overcome this possibility enterprises would have to co-operate with each other about what they produced. Hence competition for the market would not also become a form of rivalry between different enterprises. The state may have a role in this situation in terms of arbitration between the different workers co-operatives. Such a situation could result in conflict between the state and the particular co-operatives. This means there has to be a democratic mechanism by which these issues can be resolved in the most satisfactory manner.

It is also argued that the market and socialism are incompatible because the former implies an emphasis on the role of the individual and selfish interests of the consumer. This standpoint is dogmatic because it denies the fact that many interests can only be realised in an individual manner. Furthermore, this criticism also ignores the fact that consumers are often buying on behalf of other people, such as in relation to family shopping. Consequently in order to meet human needs it is necessary and vital that production is based on the satisfaction of consumers in the market. There is no other manner in which the needs of consumption can be realised more effectively. Furthermore, the needs of consumer choice imply the role of human agency. Consumption is a type of practice that is improved and enhanced by its relation to the market. There is no other mechanism that is superior to the market for the process of the allocation of consumer goods. The only alternative is rationing, which is accepted in times of emergency, but is generally rejected precisely because it represents the denial of choice about the allocation of goods. Hence the claims that consumer sovereignty is alienating is generally a dogmatic view because it glosses over the fact that the role of the market is the most efficient and accomplished manner in which consumer goods can be obtained: “Thus for example, it may be true that in a market particular outcomes are unintended, and to that extent outside of the control of human agency. Nonetheless, we may choose the market (with its unanticipated outcomes) as the best available means of attaining some particular aim (maximizing output or choice, for example.) As developed individuals, we are capable of living with relationships that have the dual character of being in part competitive and in part co-operative.”(4) Pierson argues that with the market it is not possible to overcome the alienating character of the division of labour. Why not? The point is that under capitalism it is not possible to overcome alienation because the possibility to realise skill within the process of production is undermined by the necessity to impose a regime of repetitive tasks in order to promote the possibility of making a profit. The problem is the exploitative relations of production which result in the generation of alienating production. In this context the character of the division of labour is reduced to the imperatives of capital accumulation. In contrast, under a system of market socialism it will be possible to develop a creative type of work even though the division of labour is still an organisational necessity of production. This is because the creation of alienating work is not because of the fact of production for the market, but instead is because of the necessity to perform a type of work that is restricted and limited by the imposition of the imperatives of the aim of profit making. This aspect will be overcome when work is based on the role of the co-operatives and therefore means that creative work can be developed in order to produce for the market what is required in order to satisfy consumer demand. The very act of creating a good that the consumer will want could be liberating and emancipatory. Hence Pierson's view that the relationship of alienation and the division of labour is inter-connected is an example of Marxist reasoning that is dogmatic and implies that only the end of either the division of labour or the market will bring about emancipation. Both these conclusions are not warranted. Instead it is entirely possible and feasible that production can take place for the market, and yet is both specialised, and conforms to the requirements of the division of labour in a creative and non-alienating manner. It is also necessary to emphasise that it is not possible to overcome the role of the division of labour within the economy. It is an integral fact of all forms of production that it is specialised and based on the particular character of the product that is being created. The same point can apply to the role of services. In this sense it can be said without being rigid and over-emphatic that the division of labour is an integral aspect of all forms of production, and is an aspect of the different types of economy. We can suggest that the very superiority of market socialism is that it provides the possibility for the particular character of labour to be creative and non-alienating, and this means that production for the market need not be monotonous and de-humanising.

Pierson accepts that there are considerable advantages to the development of co-operatives such as increased morale because of the increased participation of the workforce in the activity and decisions in the enterprise, and this means an end to the polarisation that may occur in privately owned firms. We can also suggest that the end of the domination of capital means that labour has become truly supreme within the workplace, and so is able to control its own destiny. The only major limitation on its sense of social power is the necessity to produce for the market. But even this apparent restriction can actually be considered as an incentive to produce the most creative and artistic good for the market. If the workers have the freedom to produce the most imaginative product for the market, this will enhance their sense of freedom and understanding of their ability to define their own economic initiative rather than accepting subordination to capital. But in terms of disadvantages it could be argued that the co-operatives may have a chronic lack of funds for expansion and so will be unable to respond to the demands of the market in an adequate manner. Or they may become subject to the problem of indiscipline and the result is low productivity. In relation to the latter issue, this problem should only arise if there is incompetent or authoritarian management. It should be supposed that in general situations it is possible for the management to be both efficient and responsive to any complaints from the general workforce. In this situation the importance of economic democracy is that it can uphold the combined necessity of both high levels of productivity and enthusiasm. In relation to the question of expansion, if this becomes a practical problem then it should be possible for co-operatives to amalgamate in order that they are able to provide the resources necessary for the process of expansion. The point is that the ability of the workforce to take important decisions should not undermine the significance of economic efficiency. Instead co-operatives should be able to be flexible and take the initiative in relation to the demands of the economy.

It is necessary to recognise that the potential and disadvantages of co-operatives under socialism has not yet been properly tested. The co-operative system in Yugoslavia was undermined by the bureaucratic character of the political system, and the unresponsiveness of the ruling elite. In contrast, we can envisage that a principled system of co-operatives would be based on a situation in which the workers were truly able to take the major economic decisions that influenced their productive activity. This situation would truly determine if socialism was an unrealistic system, or was able to promote economic efficiency and the interests of both producers and consumers. What we do know from experience is that a system of centralised planning under an autocratic ruling party cannot promote the aims of society. Instead the interests of a bureaucracy are upheld in this situation. This is why market socialism is the only principled alternative, but this system has to be participatory and genuinely democratic. Hence we would advocate a form of socialism that is based both on participatory democracy and representative democracy. The role of the former has already been outlined to some extent. In terms of representative democracy historical experience has established that it is the superior form of political system, and is generally supported by most people. Learning from history tells us that most people support a system in which they can vote for candidates in relation to establishing a government. Proportional representation would be the most democratic system in this regard. This situation also implies that a multi-party system is better than the justification of one party rule. It could be argued that this development is less revolutionary and principled than the participatory democracy of Soviets. Certainly Soviets have arisen in situations of mass struggle, and the various workplaces have become popular expressions of the will of the revolutionary process. So support for the formation of Soviets cannot be rejected. But the Soviets have often become dominated by one party, which claims to be representing their will. This is why the importance of the Soviets should be temporary, and so should be replaced by the institutions of representative democracy in order to establish the dynamics of a multi-party system. However, this development will not be the end of the realisation of democracy. What is also crucial is that the self-government of the producers be established in relation to the economy. This situation will meant that there are two forms of power within society. The producers will have the right to challenge and contest the decisions of the parliament. If a stalemate arises, it should be resolved by the process of a fresh political election. In other words, the ultimate expression of power within society is the activity of the state, but the producers also have the right to protect and uphold their separate economic interest. It is entirely possible that dual power will occur in terms of the relations between the economic and the political. Only the new mandate of the people can resolve this situation. But in specific terms, the political apparatus will not be able to infringe the economic autonomy of the producers. It cannot impose a system of capitalism if the producers have voted in favour of market socialism. Instead only a new general election fought on the issue of the continued validity of market socialism could democratically resolve any tensions between the economic and political spheres of activity. But it is to be hoped that the political and economic institutions will be able to cooperate in terms of agreed objectives such as the promotion of market socialism.

Thus the logic of the introduction and development of the workers co-operatives is that they will represent an important restriction on the power of the centralised state. The political mechanisms of the state will have to be responsive to the influence of the co-operatives. It will be possible for the political process to undermine the economic importance of the co-operatives, but this action will be disruptive and so should not be recommended. The most harmonious political system is one that continues to ensure goodwill between the economic and political sectors of society. If the political institutions became intent on undermining the viability of the economic sector, this would imply that the forces for the restoration of capitalism had become politically dominant. But if the forces of the economy and the state continued to agree that would mean that both these spheres are still united in the aim of creating market socialism. The winning of a majority in the political system would represent the ultimate legitimacy of the objective of promoting market socialism.

Pierson wonders about the practical feasibility of an economic system in which high levels of participation is essentially demanded of the producers when compared to the limited involvement in the process of representative democracy. But the point is that if the workers have acquired an important role in the administration and organisation of production, they will become motivated to influence the decisions of their workplace. On the other hand the often poor level of participation of the electors in a system of representative democracy has to be improved under a system or market socialism. The fact that the economic system has become one that is in the interests of the majority of the people will promote the possibility that their level of political activity will increase. They may become members of parties, and so will be no longer content to be merely electors. Indeed, it is possible that the institutions of representative democracy will be improved in order to encourage greater levels of activity of the electors. It is possible that annual parliaments could be introduced, and that the very character of the state will be based upon popular participation and the accountability of the state to society. People will be assumed to have greater capacity for becoming involved in the activity of political organisations, and so they will acquire participatory characteristics. In a sense there will be a merger between participatory and representative democracy. However none of this is likely to work effectively unless the character of the economy is considered to be an improvement upon the limitations of capitalism, and in this context is able to provide a greater variety of goods and realise the aims of equality and social justice. This is why the co-operatives are so important. There is no other economic form that is better able to provide the goods that are wanted by the consumer. The co-operatives can operate without reliance on the state, and in this manner are likely to be dynamic and not bureaucratic. Furthermore, they can be responsive to the aspirations of the consumer, and therefore create the goods that people want. This does not mean that the role of the state has been transcended. Instead the state has responsibility for the activity of the public services, and supervises the political system. However, if the practical effectiveness of the economy is not realised by the co-operatives there will be an incessant demand for the re-introduction of capitalism. In order that this situation does not arise, it is vital that the co-operatives are both able to meet the promise of realising productive and creative work and that they create the goods that are most wanted by the people.

Is market socialism an example of potential feasible socialism? In one sense the answer to this question is still negative because market socialism is still a generally untried and untested economic system. It represents a question of theory and has not yet been able to acquire a level of realism and practical effectiveness. But the point is that market socialism is the most convincing theoretical form of socialism. Its advocates have outlined what it is about in the most detailed manner, and they have convincingly justified its major economic aspects in the form of the worker co-operative. The overall justification of market socialism is that it is not based on the limitations of Stalinism or Social Democracy, and instead has the promise of an untested but convincing description of an alternative to capitalism. Furthermore, it is committed to the realisation of democracy as a contrast to the repressive limitations of Stalinism, and does not necessarily accommodate to capitalism like the policies of Social Democracy. In other words the proponents of market socialism promote it as something that is realisable and not based on utopian premises of what are good ideas concerning the characteristic of a future society. This means that the achievements of capitalism, such as the role of the market, are incorporated into its conception, and the limitations of a traditional planned economy are frankly addressed. But, in our opinion, what makes market socialism the most credible alternative to capitalism is that it can outline in detail the importance of economic democracy in the form of the workers co-operatives. In contrast, dogmatic proponents of socialism conceive of the role of the democratic plan, and do not outline what this means in practice. (5) Instead they are content to extract their justification for socialism from the brief comments of Marx. This standpoint is a recipe for dogma, and does not connect with the advances of capitalism which includes the role of the market and the immense variety of goods that have been created for the consumer. What is neglected by these dogmatists is that Marx did not desire to create a detailed conception of the future. Instead this is a task that we have to do for ourselves.

Pierson contends that the major problem for market socialism is its lack of popularity and electoral credibility. This view is harsh given that a principled form of market socialism has never been argued for in electoral terms. The degeneration of Social Democracy means that people no longer know what is meant by socialism. It is the programme of contemporary Social Democracy to argue that there is no alternative to capitalism and to adjust policies and strategies in these terms. (6) We do not really know how popular market socialism could be because it has never been advocated as a form of popular ideology that is contesting for state power. We know that it will be a difficult task to develop the popularity of market socialism and to oppose the influence of rival ideologies like popular nationalism and acceptance of the domination of capitalism. However, the advantage that market socialism has is that its programmatic content has never been tested in reality before and so it does not have the practical limitations and failures of Stalinism and Social Democracy. Instead market socialism has tried to theoretically resolve the problems associated with these rival trends, and in this manner express itself as a novel and relevant form of socialism that can represent the most constructive version of contemporary socialism. Primarily, it is the only principled alternative to the acceptance by Social Democracy of the supposed historical durability of capitalism.

In this context it would be a mistake of the most significant proportions to associate market socialism with being a type of right wing Social Democracy. Of course it is possible to interpret this approach with the most reactionary forms of Social Democracy. But it is also possible to define it in the most revolutionary terms. This is the attempt of this article. Furthermore, we would suggest that it is vitally necessary to promote class struggle in order to realise the possibility in which market socialism can be introduced. Class struggle seems to be a distant possibility given the increasing resurgence of reactionary forms of ideology within the working class. Furthermore, the working class seems to be too demoralised and alienated in order to be able to develop the ability to struggle for its own class interests in the form of the promotion of socialism. However, we would suggest that an important part of the problem is that a convincing version of what is socialism has never been presented to the working class as what it should strive to achieve. Instead in a voluntarist manner it has been implicitly accepted that militant class struggle would somehow bring about the overthrow of capitalism and the realisation of an alternative. This perspective has been shown to be false, and the various defeats of powerful sectors of trade unionism has meant that for a considerable period of time it would be an illusion to depend on the industrial might of the working class somehow promoting the possibility of an alternative type of society. Instead we have to improve the theory of Marxism in order to develop the most convincing conception of socialism that is possible, and this is where market socialism becomes relevant. We have to elaborate market socialism in a manner that is appealing for working people, and we then have to promote this perspective. In this sense we are providing an alternative to the domination of capitalism. This system does not primarily have an enduring quality because of any emancipatory promise of freedom; instead it is a system that people know what is real and present. It is considered to be better than the unknown future. Socialism is the unknown alternative which is presently dreaded and rejected. We have to overcome this dread of socialism by outlining what could be its most popular form. In this context we can indicate that the introduction of socialism need not involve massive economic and political upheaval. Instead it is an important modification of what presently exists. The major aim will be to replace the domination of capital with that of labour. This means the promotion of market socialism and the conception of a society based on economic democracy and representative democracy. In this manner the ideological struggle to gain adherents for socialism can begin in a serious manner when compared to the neglect of this task in the past.

It will be argued by orthodox supporters of Marxism that market socialism is a dilution of the only principled conception of socialism which is one without markets. Reference is made to the 'Critique of the Gotha Programme' in order to substantiate this argument. (7) But this programme does not tackle directly the issue of the market, instead in a more obscure manner it contends, as Leibowitz suggests that the emphasis on distribution in the original Gotha Programme is wrong and instead: “Rather than repeating this “mistake”........we need to recognize that particular relations of distribution are the product of particular relations of production. Change the relations of production, the economic structure of society, and you change the basis of the relations of distribution.”(8) This is the major argument against the role of the market, which is implicitly defined as the relations of distribution of capitalism. Furthermore, Marx contended that the character of production under socialism which is based on planning would influence the role of distribution: “The relations of distribution are not changed by exhortation. Rather it is changed as the new society involves producers directly in a conscious process of planning as “determined by communal needs and purposes.”..... Through such communal organs, the result is “an organization of labour whose consequence would be the participation of the individual in communal consumption.”(9) Thus society creates 'new organs for cooperatively planning the distribution of society labour in order to satisfy the workers own needs for development'(10)

This aim of overcoming the alienation within the process of production could be realised by the ending of the domination of capital over labour. Such a possibility would be created by the development of co-operatives, but the view that this implies the generation of a form of distribution that realises the end of the market is illusory. Indeed, Marx did not outline what this situation would imply apart from clichés about a different form of distribution. Hence he did not tackle the question of the market, but instead avoided it. His political economy was deficient because rather than outline satisfactory reasons why the market should be transcended, he instead implied this necessity. The assumption was that the planned production was not compatible with the continued role of the market in the sphere of distribution. But economic reality indicates that it is dogmatic to assume that the market can be overcome. The process of distribution remains predominantly of an individual character, and this implies the necessity of the market in order to allocate goods. In this context it would be realistic to reject Marx's vague comments about the changed character of distribution under socialism and instead attempt to connect the truly different relations of production of socialism with the role of the market in the sphere of distribution. The fact that this standpoint does not support Marx is not problematical. Instead the unsatisfactory aspect of Marx's view was that he is vague and incomplete about the character of distribution in the communist society. It is perfectly possible to reject this ambiguity and outline the relationship of the market to the process of distribution under socialism. But the most important point is that people under socialism would not accept any other form of distribution as was indicated by the experience of the Russian revolution.

Instead of the vague comments of Marx's 'Critique of the Gotha Programme' we have a detailed and systematic understanding of socialism in the approach of market socialism. This standpoint can be the basis of the process of trying to convince working class people of the validity of this approach. This is the major task of the present, of trying to indicate to working people that there is an alternative to capitalism, and that we do not have to accept the present system. It is also necessary to convince the Marxist Left of the importance of market socialism in order to transform these organisations, and to increase their confidence and to generate the prospect of left unity on the basis of a programme for the socialist transformation of society.

FOOTNOTES:

(1)Christopher Pierson: Socialism after Communism, Polity Press, Cambridge 1995 p84-85

(2) ibid p95

(3) ibid p115

(4) ibid p125

(5)Michael Lebowitz: The Socialist Imperative, Monthly Review Press New York 2015

(6)Anthony Giddens: The Third Way, Polity Press Cambridge 1997

(7)Lebowitz op cit p42-75

(8) ibid p65

(9) ibid p70

(10Ibid p70