

Economic democracy in the interplay of globalisation and international solidarity: the Scandinavian welfare state, Europe and Venezuela

by Carsten Prien, Hans-Jürgen-Krahl-Institut (<http://www.hjki.de>)

translated by Susanne Schuster (<http://decodetranslations.com/>)

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Forms of socialisation

“In the first type, satisfaction for the claims of the producing labourers is granted only indirectly while the claims of the consumers, in contrast, are directly satisfied. In the second type of socialisation the opposite is the case, representing direct socialising seen from the stand point of the producing labourers, but only an indirect socialising viewed from the standpoint of the whole of the consumers.” (Karl Korsch)

Socialisation is the inner vocation of the workers' movement. Based on the common plight to sell their own labour-power due to the private ownership of the means of production, the abolishment of this private property is their actual *raison d'être*. Without exception, all programmes and actions of the workers' movement may be categorised according to their relation to this inner vocation, their historical task along with their very existence.

The complete abolishment of private ownership of the means of production as a logical endpoint is simultaneously the extreme end of a spectrum encompassing various ways of limiting and constraining private property, which in turn can be distinguished in two ways.

Constraining the control over the profits of privately owned production and limiting or – in a positive sense – co-determining the use of privately owned means of production.

Owing to the close, mutually determined relationship between the profits of production and the use of the means of production, the two ways of limiting control of private property overlap.

This as yet very abstract distinction only becomes meaningful at the extreme end of the spectrum, where both ways lead to different forms of socialisation, which nevertheless presuppose each other, as will be shown.

The first form of socialisation is nationalisation. It limits private property or abolishes it from the standpoint of those claiming an interest in the profits of production. To each individual business the state represents the interests of all consumers.

This form of socialisation has plunged into a historic crisis, on the one hand due to a lack of efficiency compared to competing privately owned businesses and on the other hand – and far more important for the political content of the question of socialisation – due to a lack of democracy.

However, the limitation of private property by the state is a necessary prerequisite for a functioning free market economy, which would otherwise abolish itself under its current premises, such as the tendency to push the price of the commodity labour below its value, thus endangering its reproduction.

Moreover, these state interventions necessarily increase in the course of capitalist development.

Economic democracy

„The democratisation of the public sphere, the right to free elections, assembly, speech and press must be complemented by the democratisation of the economy, by co-determination of the workers over the use of their labour-power and the values created by them.” (Otto Brenner)

As far as the lack of democracy is concerned, the political condition of the state doing the nationalising is no less significant than the fact that the bearers of a social democracy are not the economic subjects, but rather the political subjects, namely the citizens.

Because for those economic subjects, namely the direct producers, who are excluded from the private ownership of the means of production, its use and the appropriation of the profits of production, it makes no difference at all whether their direct production process is controlled by private owners or a state committee.

In this historic situation of a fundamental crisis of nationalisation as a form of socialisation, characterised by the collapse of the so called real socialism as well as the weakening of nation states in the wake of the expansion of the international division of labour, the spontaneously reawakened interest in different forms of economic democracy is hardly surprising.

The subjects of economic democracy are primarily the direct producers who have an interest in limiting the control of private ownership over the means of production. There is a broad spectrum here too, the endpoint being the complete democratic organisation of businesses as a basic element of socialisation, and according to traditional usage we will call it syndicalism.

Paradoxically this grassroots democratic form of socialisation is also lacking in democracy.

The relation of each individual business to all other businesses is based on the division of labour. This relation corresponds to the relation of the individual tasks within each business and constitutes the social character of production as such. However, an individual democratically constituted business relates towards all other businesses in the same way as a privately owned one, because it has exclusive and arbitrary control over the means of what is ultimately a social production.

A syndicalist socialisation obviously would not have to imply a market; rather it could culminate in an economic council by way of industrial associations that could determine common production aims and that could have a state-like function.

At this point a fundamental overhaul of the concept of economic democracy, indeed the very concept of socialisation, is necessary, if inherent contradictions are to be avoided.

Thus, the state-like proxy of consumer interests limits the autonomy of businesses, but it excludes the private households.

This limitation of economic democracy can only be overcome through the radical abolishment of the hitherto not considered, yet intrinsically linked other side of private ownership of the means of production, namely the privately organised form of the reproduction of labour, in other words, the family as an economic entity.

Historic production

“Communism differs from all previous movements in that it overturns the basis of all earlier relations of production and intercourse, and for the first time consciously treats all natural premises as the creatures of hitherto existing men, strips them of their natural character and subjugates them to the power of the united individuals. Its organisation is, therefore, essentially economic, the material production of the conditions of this unity; it turns existing conditions into conditions of unity.” (Karl Marx/Friedrich Engels)

This demand has far reaching consequences for the content of the socialisation concept, because the socialisation of the sphere of reproduction of labour is not a mere extension, but in abolishing the division of reproductive and productive tasks it simultaneously constitutes a breach with the industrial paradigm and its underlying concepts of production and economy.

In the two mutually presupposing narrow-minded social forms of intercourse, private property and the family, work is simply a means for individual and family reproduction and no longer a form of appropriation identical to itself, like in the genuine dialectical unity of productive consumption and consumptive production, namely the development of individuality in the forms and the history of its concrete realisations.

Thus work in its alienated form becomes the dominant characteristic of the means of production and their development, and the excessively increasing productivity, totally detached from appropriation, becomes a social end in itself

These considerations lead to a more evolved concept of economic democracy which was merely implicit in the old concept.

The allocation of the means of production, the private ownership of which is only one of its forms, is only one element of the overall historic production.

The historic subjects not only have to be able to decide democratically on the production and allocation of human life, food and the means of production, but also on the production of social forms of intercourse and relations of production, within which and through which the former take place.

Only such a democratic control over the production of history would really mean a humanisation of work, which is impossible as long as the historical subject in the

social forms of intercourse is in actuality split into consumer and producer, and this division is, moreover, the unconsidered precondition of semi-developed forms of socialisation, syndicalism and nationalisation, where economic and political democracy face and mutually limit each other.

Internationalism

“Hand in hand with this centralisation, or this *expropriation* of many capitalists by few, develop, on an ever-extending scale, the cooperative form of the labour process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labour into instruments of labour only usable in common, the economising of all means of production by their use as means of production of combined, socialised labour, the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalistic regime.” (Karl Marx)

In particular the urgent task in the workers' movement to find forms of international solidarity that require an advanced international division of labour as its conscious condition offers the possibility of the practical effectiveness of such considerations.

The experience of nation states with different forms of economic democracy cannot be generalised towards an international and internationalist strategy, as long as their confinement, including inwardly, to the national situation is reflected upon, figured out and overcome.

In other words, discussing international solidarity necessitates a critique of the idea of economic democracy, as was attempted above.

Based on this, it is definitely possible to categorise the international experience.

It should be clear from the discussion so far that different countries always feature a combination of the different forms of socialisation and their precursors, nevertheless a typology can be based on the actual main characteristics without having to abstract too forcibly from specific features.

Categorising the faded Soviet Union as the nationalising type is not expected to cause much opposition, despite the fact that commodity-money relations continued to persist amongst the different forms of collective property.

The same applies to the characterisation of the Yugoslav economy as a form of syndicalist free market economy whose fundamental paradox of self-administration was expressed in the absurd emergence of “a bureaucracy to prevent bureaucracy”, as the economist Goran Music stated laconically.

From our point of view the only difference between the Rhenish capitalism and the Scandinavian model is that with the latter a greater degree of unionisation and a longer continuous time in office of social democratic governments enabled the strategic expansion of the welfare state, meaning the vigorous planning and implementation of the ideals of economic democracy; this could not be realised in West Germany due to a different balance of power.

However, with both models the encoding into law of the outcomes of the union struggle for the profits of the privately owned production takes a backseat, which at times was in line with the interest of the state to protect the general conditions of capital relations. The general capital interest always has to be asserted against the special interests of each individual capital; to this end the workers' movement can partially and temporarily become a political actor in the mediation process.

The current experience in Venezuela of massive campaigns for state-supported formation of cooperatives practically show the ideal type of a combination of both forms of socialisation, including the associated contradictions; moreover, it is proof of the historical maturity of the question.

Such a typological critique of the limitation of the international experience could enable the workers' movement – whose different factions often have ideologically and institutionally entrenched opposing views – being seen once again as a whole, as a manifold yet unitary historic movement.

Without doubt this anti-sectarian position is the necessary prerequisite to realise a socialisation strategy which joins its various forms – unions, politics, cooperatives and economic democracy – not just in external and tactical ways, but also combines them according to their relevance for the strategic aim of a comprehensive socialisation.

Points for discussion are briefly presented below.

Practical socialism

“We want to deprive the capital owners of their power, which they exercise by dint of their property. Experience shows that this won't be achieved by influence and control alone. Functional socialism (intervening in the functions of property) as such is not enough to achieve a radical social change.” (Rudolf Meidner)

“The real barrier of capitalist production is capital itself.” (MEW 25, 260)

This statement by Marx points to the non-identity of labour and realisation process. It means: Those that are surplus to the capitalist production still possess their labour-power and could work together. Even the means of production morally worn out due to the technological development could still be used by them as means of labour.

The commodities could still meet needs, even if they were produced using above average socially necessary labour-time.

These are all possible productive forces for building socialism out of capitalism!

However, the real barrier of “socialism in one class“ is not socialism as such, but its mediation by the bourgeois state.

While welfare payments, collective wage agreements and minimum wages limit the competition of the owners of labour-power – which ultimately is founded upon the

private reproduction of labour, only their unitary self-organisation could abolish competition completely.

Thus, the strategy of self-organisation would be a workers' struggle aiming to take over the businesses on strike and to produce as cooperative, self-organised businesses, with the goal being the indirect and direct support of workers' struggles.

The various unilateral functions in the traditional forms of organisation could be synthesised thus:

Limiting the competition among the providers of labour-power, transferring the means of production into cooperative production, lowering the costs of the reproduction of labour by way of consumer cooperatives through to the subversion of the bourgeois state.

The relics of the Ghent system of insurance in Sweden, where unemployment insurance is at least partially organised through trade unions, or the renewed discussion of wage earner funds as a collective share acquisition of corporate wealth would offer new approaches to self-organisation of welfare payments and lead to a gradual form of socialisation – provided they are integrated into such a strategy.

Within German unions a new discussion about forms of corporate participation and co-determination is also taking place. Until now only progressive and principally unlimited waivers on the part of employers guarantee a still limited job security against increasingly internationalised capital. In this situation co-determination and share acquisition are recommended again as effective tools of the workers' movement.

Perhaps just these few examples illuminate the great potential for the integration of already existing forms of praxis and discussion among the left of a practical socialism, which could spread with capital in line with the international division of labour, thus enabling the foundation of a new, better quality internationalism.