

# Reply to a letter on socialism and economic laws

24 April 2001

To whom it may concern:

I have subscribed to your web site for a while and have enjoyed many of your articles which are sent through e-mails and I have recommended it to many of my friends. I have a question for you. In fact, I have had this question for a while and didn't know whom to ask it from! My question is about an ideal socialist society all around the world. I mean if all countries become socialist and the world becomes free of capitalism; then how would the laws of international economics or trade apply to them? What will economic competition and trade be based on? Don't you think that the same capitalist nature or profit motive will prevail over those countries? What do you think... What is solution to this problem? I would appreciate your answer to my question. I am looking forward to hearing from you soon.

Yours,

AS

Dear AS,

Thank you for your e-mail. I'm glad you find the WSWs valuable and that you are recommending it to your friends.

The first point I would make in answer to your question is that it is not possible to set down what an "ideal socialist society" would look like. This is because, as Trotsky once put it: "Between our present social condition and socialism there still lies an extended epoch of social revolution, that is, the epoch of the open proletarian struggle for power, the conquest and application of this power with the aim of the complete democratisation of social relations, and the systematic transformation of capitalist society into the socialist society."

In other words, where social relations are democratised, they will not be dominated, as they are today, by the accumulation of private profit under the

aegis of the capitalist market but will be shaped according to the collective needs and aspirations of all the members of society. The shape of a future socialist society, therefore, cannot by its very nature be laid down in advance, according to some blueprint drawn up today, but will arise from the collective experience, decision-making and activity of millions of people all over the world.

Having said that, some general principles can be established. Socialist society will in the first place involve the construction of the economy according to the laws of reason, applied to meet human need, not the demands of profit. That is only possible, however, if the working class—the overwhelming majority of the population and the producers of all wealth—takes political power in its own hands.

You ask when countries become free of capitalism how will the laws of international competition and trade apply to them. The broad answer is that the construction of a socialist society will involve their progressive elimination. The transition from a capitalist to a socialist society, which will commence after the conquest of political power by the working class, involves the replacement of the laws of the capitalist free market with the development of production according to a plan. That is, in the sphere of the economy, the transition to socialism on an international scale will take place to the extent that the market principle is replaced by the planning principle.

Such planning, if it is to be worthy of the name and not the kind of anti-socialist caricature which developed in the bureaucratic Stalinist regimes, must of necessity involve the broad mass of society in drawing up the goals and objectives of the plan, checking on its application, revising it where necessary, and initiating new projects for the future. In other words, the establishment of genuine planning is inseparable from

the broadest democracy.

What about “capitalist nature” and the “profit motive” you ask. They will be increasingly replaced by a system of social production guided by another principle: the development of production to meet human need, with the least expenditure of human labour possible, having regard to the maintenance of the natural environment and the overall enhancement of the conditions for humanity's development.

Let me emphasise the point that the establishment of such a society is not some kind of utopian dream. It is a necessity if mankind is to advance. The subordination of production, and the whole of society, to the accumulation of profit, is the source of the ever-widening social inequality which is at the root of the disasters befalling people all over the world.

It is the domination of the profit principle and the operation of the laws of the capitalist market which determine that Africa, for example, one of the poorest regions of the world, actually pays more to the major capitalist banks and financial institutions than it receives in so-called aid. And in the major capitalist countries, the subordination of production to private profit, is at the root of the social ills that can be seen in every major city.

The necessity for socialism arises because the very complexity of modern mass society creates new problems that simply cannot be resolved according to the logic of the market. The logic of profit, which causes and exacerbates these problems, must be replaced by the logic of need if mankind is to progress, and indeed even survive in any genuinely human sense.

In fighting for this perspective, we are not utopians. Socialists recognise that it may take some time before greed is regarded with the same abhorrence with which we view cannibalism, for example, today. But that is not the issue.

While it may take a longer period of time before human psychology is changed—it is in the final analysis the product of changed social conditions—it is entirely possible today to undertake the development of a new system of production based on the struggle to meet human needs, rather than the accumulation of profit and the expansion of capital. Already the great bulk of the productive forces, those that dominate the economy, have been socialised. When they are socially owned, production will be able to be undertaken on a new

foundation.

The establishment of such a system of production is not a utopian scheme. Rather, it emerges from within the global capitalist system itself.

The vast transnational corporations and financial institutions which dominate the world already carry out planning on a global scale, coordinating economic activities tens of thousands of miles apart. A system of planned global production is therefore entirely feasible—the foundations for it have already been laid by capitalism itself.

Likewise the information systems and complex modes of communication which have been developed to facilitate the operation of global financial markets form the basis for the kinds of organisation necessary for the provision and widespread dissemination of information which will form the basis of the democratic operation and control of a socialist economy.

I hope these brief remarks have helped clarify some of the issues for you.

Yours sincerely,

Nick Beams



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Socialist Equality Party visit:

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