Another question on socialist planning

Nick Beams
17 July 2001

Dear Editor,

In a recent column, responding to a question regarding the formation of a socialist society, Nick Beams made the following statement:

"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."

I must take issue with this simplified interpretation of corporate planning. You seem to ignore the fact that the "vast transnational corporations and financial institutions" you refer to, are sometimes wrong. Capitalism requires that planning be carried out in order to deliver whatever product or service that a concern produces to their consumer as efficiently as possible. Very often a large corporation will make a mistake (New Coke, the Edsel). When this happens the concern involved loses market share and, if they want to stay in business, must make a correction. Please explain the safeguards against such blunders in a socialist society.

If the Central Government, you must admit that's who we are talking about here, makes a mistake, there is no real check and balance to correct the error. In addition, in order to advance technology, members of society must feel that it is in their best interest (read profitable) to develop new technology or methods. Governments are, by and large, not very good at this (except in times of war), they are much better at supplying the vision and letting profit corporations develop the necessary resources. At their worst, governments, especially democratically elected governments, are not inclined to change much of anything for fear of loosing the next election. *WSWS*'s lifeblood, the Internet, was developed as a tool for government research labs to communicate with one another but due to entrepreneurship by Bill Gates and his kind, it has developed into the medium that it is. I don't believe this would have happened if left to a central government.

Finally, please explain how a socialist society takes into account the wants and needs of the consumer. In Marx's day there were no consumers per se. The working class toiled in the worst conditions just to make ends meet. Today, the working class, especially union members, has moved up to become property owners, landlords and above all, consumers. Socialized central planning will not and cannot deliver the consumer goods that people want because usually they don't know what they want until it's available. Democracy, when properly applied, is the best form of government, but is also the slowest and least efficient.

I look forward to your response,

JS

Detroit Michigan

Dear JS,

The heart of our differences over the question of socialist planning is contained in the following sentence from your e-mail. You write: "If the Central Government, you must admit that's who we are talking about here, makes a mistake, there is no real check and balance to correct the error."

The problem here is that the history of the domination of the Stalinist bureaucracy in the Soviet Union, and the identification of this regime with socialism, has given risen to the erroneous conception that socialist planning is carried out by a vast centralised authority which dictates to the rest of society. That is certainly not how Marx saw the issue and it has never been the conception of the Fourth International.

As far back as 1843, Marx centred his critique of Hegel's doctrine of the state on the separation of the state from civil society. He saw that this split could only be healed with the establishment of democracy, conceived not merely as a system of political representation but as a society in which all citizens are actively involved, as a condition of their social existence, in its administration and development.

This was not merely a concern of the "young Marx" but was taken up again in his analysis of the Paris Commune. Marx described the Commune as "the reabsorption of the state power by society as its own living forces instead of as forces controlling it and subduing it, by the popular masses themselves, forming their own force instead of the organised force of their suppression—the political form of their social emancipation, instead of the artificial force appropriated by their oppressors (their own force opposed to and organised against them) of society wielded for their oppression by their enemies. This form was simple like all great things" [*Marx and Engels on the Paris Commune*, Progress Publishers, p. 153].

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It was the separation of the state apparatus from the working class which was at the centre of Trotsky's critique of "socialist planning" as practised by the Stalinist bureaucracy in the Soviet Union. "Under a nationalised economy," Trotsky wrote, "quality demands a democracy of producers and consumers, freedom of initiative and criticism—conditions incompatible with a totalitarian regime of fear, lies and flattery" [*The Revolution Betrayed*, Trotsky, p. 235].

The demand for democracy, Trotsky insisted, was not the demand of an abstract policy or a moral ideal, but was essential for the planning process. Without it, genuine planning could not be carried out. While the nationalisation of the means of production had demonstrated the undoubted potential for social ownership to develop the productive forces, this potential was unable to be realised under the domination of the Stalinist regime. In fact, the "bureaucratic leadership, self-sufficient and irresponsible, incapable of foresight and intolerant of criticism" and "blinded by the mirage of socialism in one country" had brought the economy of the Soviet Union to the brink of chaos.

Trotsky emphasised it was not merely a question of the quality of the people who made the decisions but that the establishment of genuine socialist planning was "by its very nature insoluble without the daily experience of millions, without their critical review of their own collective experience, without their expression of their needs and demands" and could not be carried out within the confines of the official sanctums no matter how far-sighted its inhabitants.

"Even if the Politburo consisted of seven universal geniuses, of seven Marxes, or seven Lenins, it will still be unable, all on its own, with all its creative imagination, to assert command over the economy of 170 million people" [*Writings 1932-33*, Trotsky, p. 96].

Of course, the establishment of such a system would not by itself guarantee that mistakes and miscalculations would not be made. But the active involvement of the whole population in the administration of the economy would create the conditions where such shortcomings and failings could be rapidly overcome and corrected and the lessons learned.

The point I was making with regard to the "planning" now carried out by transnational corporations was that the material means for the involvement of the "associated producers" in such planning and administration of the economy have now been created by the scientific advances, especially in the fields of computerisation and information technology, made by capitalism itself.

In other words, to answer your question, the democratic participation of the broad masses in the economic organisation of society—made possible by the vast advances in information technology over the past two decades—will provide the safeguards against blunders in socialist planning and provide the means for the rapid correction of such blunders if and when they occur. Moreover, such democratic involvement in economic organisation will create opportunities for the development and trial of all sorts of new products.

In this regard, I must take issue with your interpretation of the history of the Internet. According to you, the Internet has developed into the medium that it is "due to the entrepreneurship of Bill Gates and his kind." This is a complete misreading of the situation. In fact, when the Internet first emerged, Gates dismissed it. And when he realised his mistake, Microsoft attempted to make up for lost ground not by further developing this resource, but by trying to monopolise it.

As many articles by *WSWS* writer Mike Ingram have drawn out, the development of the Internet and the computer software necessary to utilise it have largely taken place in opposition to the practices of major IT corporations such as Microsoft.

At the risk of burdening this reply with too many citations, let me conclude my remarks by referring again to some words of Trotsky which sum up the essential issues:

"What is socialist construction? It is economic construction according to reason, no longer only within the limits of the enterprise or trust, as under the rule of the bourgeoisie, but within the limits of the society, and then of all humanity. In socialism we have the application of scientific thought to the construction of human society. Just as earlier the bourgeoisie built factories 'according to reason,' and constructed its state according to (bourgeois) reason, so the working class says: 'I will construct the whole of social life from top to bottom according to reason'" [*Problems of Everyday Life*, Trotsky, p. 139].

The development of the productive forces within the capitalist economy has made this perspective eminently achievable. The task, of course, is to free the productive forces from the constrictions of capitalist social relations—private property and the nation-state system—which give rise to all those increasingly destructive forms of "unreason" and "irrationality" which manifest themselves in every aspect of daily life.

Yours sincerely,

Nick Beams

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