

## The Socialist Economic Alternative I (Socialism within Capitalism?)

The perennial question asked by any defender of the status quo to an avowed socialist is always, “*Well, what would your Ideal economic System be, and why hasn’t it just naturally evolved from this current, supposedly congenitally inferior attempt?*”

Well, it is a fair question, even if the motives of such an asker were not!

And, to ask of an inhabitant of this side of an Emergence (a revolution) exactly what will appear on the other side is both unreasonable, and, to be honest, unanswerable.

But we do know quite a bit about what is wrong, and what horrors it inflicts upon Humanity, and has done so for many centuries.

We also know from history and the current Arab Spring that revolutions do indeed occur, and it must be an important part of our task to begin to address that question, but not as a prediction whether as the word of God, or Marx, or anyone else - but, with clear attempts to remove the horrors.

An Emergence is best typified by its most wonderful and evident example of the history of the Earth – **The Origin of Life** itself.

Clearly, no prediction of the various consequent Forms of Life would ever have been available within the World before that Event.

So, let us, with more than a little humility address the question of the nature of the possible economic alternative to Capitalism, perhaps expressed negatively as to what **must** be removed.

There are, of course, many Commune-type experiments, usually looking backwards to some extent, and always with a tidy helping of Self Sufficiency. But no serious statewide alternatives seem to be being described, and the reasons for this will be addressed – from the failures of Nationalisation to the other idea of Socialism within Capitalism of the **Co-operative Movement**.

Clearly, Capitalism did not everywhere get imposed by force of arms, and did indeed show its potential in various embryo sub-systems, but using the then current ways of accessing the accumulations of wealth necessary for such enterprise.

That whole era has been addressed by this author under the Heading **Primitive Accumulation**, where, though it indicated what was possible, could not institute a countrywide and certainly not a global system.

It was originally, within Feudalism the methodology of traders and manufacturers, who needed something better than Royal or Aristocratic patronage to get their methods up and running, by some means of providing adequate access to finance, while involving the taking of possibly lucrative risks.

The Limited Company was a new legal arrangement, whereby it could go bankrupt if things were not working out, and investors and creditors would get back only a proportion of what they had gambled, or were owed for services rendered or goods supplied.

Such a system allowed risks to be taken, and thus literally unlimited rewards appeared to be achievable, at the same time as failure with consequent losses, without which such outcomes being seen as stealing.

It was a gambler’s system, though with better odds, and also allowed concentration of wealth by investment methods, rather than conquest or robbery.

This being the case, though we can oppose Capitalism today with justice, we have to be clear what it was when it triumphed over Feudalism, and what effect it had on the growth of economies.

To take a moral standpoint historically, has to be a major mistake, for it confuses an economic system with the methods of individual capitalists and owners. Though it is clear that great damage was done to millions of people, the development of human invention and reach was most certainly greatly expanded, and if we are to dispense with the Capitalist System as having outlived its usefulness, we still have to address the problems that it actually addressed – the concentration of wealth to fund enterprise.

Of course, as socialists, we would never put the same gloss on “enterprise” as do the capitalists themselves. To hear them talk, they turn the process into the prime and irreplaceable reason for all wealth creation and ultimately Progress.

That is certainly NOT true!

But, it did allow that concentration, and thereby make possible expensive operations to establish new foci of production.

Now, to make it clear, perhaps I should give the example of a venture of my own into this area.

A dance teacher and myself conceived of a new form of tailor-made resources to aid in the teaching of Dance in education (and particularly in schools)

It was based upon quality exemplars of video materials specially filmed with particular pedagogic purposes in mind (And this included both Performance and Choreographic objectives). And it involved the significant improvement in both precise **Access** and consummate **Control** that could be facilitated by computer control directly and intuitively put into the hands of the teachers themselves. Our intention was to deliver resources on multimedia CDs, which would simply be inserted into a computer, delivered a controllable video stream, which could be manipulated by the teachers to extend and empower their already developed methodologies.

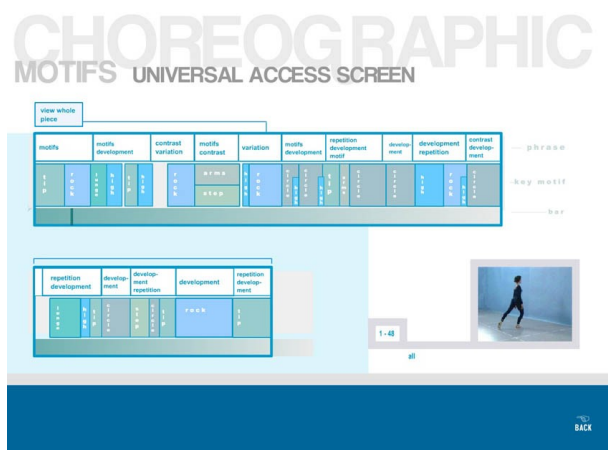
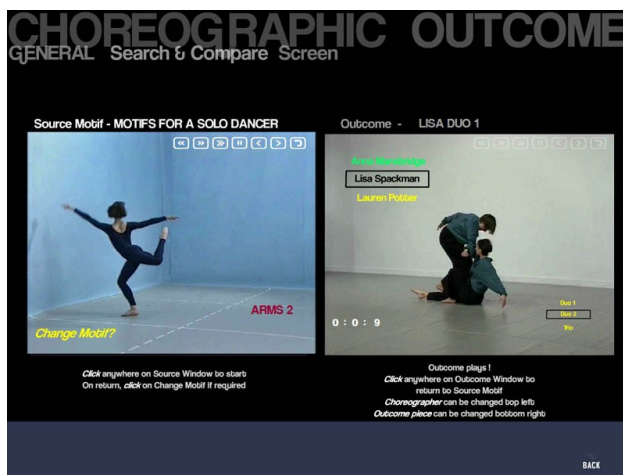
We, therefore, termed the approach **The Provision of Multimedia Resources For the Teaching of Dance.**

To conceive of the facilities to be included in new controlling software, and shoot all the necessary tailor-made footage would ultimately cost a six-figure sum, so such capital was not already in our back pockets, and we could not contemplate relinquishing our hard earned objectives for the Resources, by bowing to strictly commercial interests and requirements.

We needed the appropriate capital without any non-pedagogic restraints.

It was a classic case of a development that needed the investment of quite substantial financial resources to deliver our projected product, AND for that to be at a price that individual institutions could afford.

We finally did it by approaching a series of funding bodies (indeed, many of them), and finally produced **The Dance Disc**, which subsequently won a **British Interactive Video Award** in 1989. But, that was only a single title, and not only were many others required, but the technology involved would necessarily change



several times, the necessary software would also considerably develop, and indeed a whole new Pedagogy would develop predicated upon the use of such resources.

There needed to be all of this for the whole project to deliver across the entire pedagogic area worldwide.

But, in spite of our original success, we did not get any further funding for over **eight years**. And when we did, we produced a second publication at similar cost, but using a different platform for delivery and entirely new software. The following period involved three changes of software and a third, and then fourth, change of platform before we had the main problems solved. You can see the problem!

This was not a **business** in the capitalist sense, but a **service** (though we had to convince funders, that it would become a profitable business to get the resources we required).

Nevertheless, after the success of this publication across the U.K. subsequent funding was again literally nil.

All our further titles had therefore to be produced out of sales, and the two designer/producers got literally nothing, and had to invest 20 years of our time into this project.

And it must be emphasized that with available funding at the right times, we would have transformed the resources available in just a few years instead of over 20.

As it was, our discs have indeed transformed the resources now available. Our discs are used in 80 countries on all five continents, but with no guarantee of a future for what we have achieved.

Now, this perhaps surprising diversion was indeed necessary.

It contrasted **Service** with **Business**, and posed the requirement for **Funding**, rather than **Investment**.

But the differences between the amounts going into these two areas are colossal. Such funding (such as that from the various Charities) are merely token offerings. Clearly in a socialist society these would play THE major role. Service to society in every aspect would have the primary status, and if this were the case, the need to concentrate wealth in the hands of entrepreneurs would be entirely unnecessary.

Now, these are still not easy questions.

And the myths that see a route to Socialism entirely within Capitalism continue to be dominant and distort and ultimately undermine all efforts to achieve such gains.

In my youth, and in and around my city of Manchester, England, a supposed “social” alternative was constructed over many years, which became the **Co-operative Movement**.



This organisation was set up to be effectively “owned” by its customer/members, and all profits were paid to those users in proportion to what they had spent with the organisation over the previous period. No shares were involved, anyone could register as a member, and using their **Members Number** all purchases would be logged, and the total would determine their “dividend”.

This soon became a very large organisation.

It did literally everything from food and furniture, to optical testing and insurance, and basics such as milk and bread deliveries to even funeral services. It had factories where clothes were made (where my own mother worked as a sewing machinist for a very long period), and even its own farms, while most required services were delivered by

different sections of the same organisation. At one period my mother was getting around 15% dividend on everything she spent with The Co-op!

The Theory was that such a socially devised system would replace normal Capitalism, and it was politically closely allied with the Labour Party, and funded what were termed Lab-Co-op MP candidates.

The question has to be, “How did such a movement fail?”

For it certainly did! How did organisations run for profit win large numbers of customers from the principled Co-op?”

And the reasons for this were political, moralistic and economic! There never was a straightforward competitive balance between capitalist businesses and the Co-op. And, initially such a balance was down to the principled stand of the Co-op movement on both the remuneration of its employees, and the correct relationships with its suppliers. These initially were cancelled out by the saving implicit in such an integrated organisation, but it didn't last. Soon, the ever bigger Supermarket chains were able to get the prices they paid down considerably, they also paid their own employees less, and had absolutely no moral qualms about super-exploitation of producers in the third world.

Supra-national organisations, with enormous want-lists were able to force down the prices they were paying without a qualm. And they were also in a position to greatly widen their ranges of goods, particularly in the area of foods. Soon, it was possible to get more interesting foodstuffs and at cheaper prices, while the Co-op was largely restricted by the limitations of its in-house suppliers. And in periods of relative boom, when the once ever-present threats of depression and even Slumps seemed to have been removed, customers deserted the Co-op in very large numbers.

Macmillan's “you've never had it so good!” statement epitomised this whole trend.

Now clearly, this topic, like Topsy, is growing alarmingly, so this paper can only be the first of many, which will successively address many other aspects of the failure of the ideas of Socialism within Capitalism.

Jim Schofield

(1,873 words)