

Free Market Scholars

Sponsored by the Stockholm Network, a group of free market-oriented European think tanks, the “1st Annual Capitalist Ball” was held in Brussels, Belgium. Free market scholars gathered to ask “Is socialism dead?” Many concluded that although free market ideas seem to be spreading in the age of globalization, many of the event’s participants expressed doubt that socialist ideals will ever completely go away.

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STEPHEN POLLARD INTERVIEW

Stephen Pollard is a senior fellow at the Center for the New Europe.

Is socialism dead?

Socialism, just like the Right, has an infinite capacity to reinvent itself. Just because it’s out of government in certain places doesn’t mean that it’s therefore, dead. I mean, for instance, I come from Britain, the most obvious example of the fact that Socialism, the Left, is still living and breathing is Tony Blair who’s one of the most successful leaders of any political color, across the free world. The great strength that Blair has, the thing that enabled him to be so successful is that he was absolutely up front about the fact that old-fashioned Socialism had failed and that it was about, to use the phrase that Blair always uses, traditional values in a modern context. That’s why Socialism isn’t dead, it’s just undergoing a transformation across large parts of the world.

Why is the Labor Party still strong in Britain?

I think the driving force which leads a lot of people to join the Labor Party, this was certainly an instinct I felt myself, I joined the Labor Party in the mid-eighties when the Labor Party was unelectable and wrong. But the driving force behind most Labor Party members’ decision to join is a feeling that somehow Socialism is the only morally pure form of government and that somehow you have to be on the Left to have decent morals. I mean for instance in Great Britain, by far the strongest organization within the Labor Party are the Christian Socialists, Tony Blair is the patron. You look down a list of who’s on their Board of supporters and it’s, you know, all the most influential members of the government. And it’s that form of Christian Socialism which is hugely influential and shows, I think, that you know, for all that we can reduce all this to economics and the role of markets and vouchers and rights and wrongs about nationalization and so on, it does come down to a deep-seated philosophical view as to how you think morals should come into it. And most Left-wingers, most people in the Labor Party, do think that it’s about those morals, it’s about changing the world for the better.

Has the Left moved away from idealism and more towards pragmatism?

[In Britain], the Labor Party lost four elections in a row in the eighties and nineties. And you know, in the early eighties, the Labor Party manifesto was absolutely messianic; it was about changing society, it was about nationalizing all

the companies, it was about doing all sorts of supposedly wonderful things. And it fell like a lead balloon, the public rejected it, the worst defeat they'd ever given to any political party. I think that combination of defeat after election defeat after election defeat lead to the changes that Blair thought about... I mean Blair doesn't promise to change society, he promises to make it work a bit better. And that I think is actually the salvation of the Left. It's dropping all these ludicrous ideas about changing society and just promising ordinary people that if you vote for the Left, we'll actually make your life better by making the schools better, by improving your health care, by improving your pensions and that sort of thing.

NIZAM AHMED INTERVIEW

Is socialism dead?

Nothing dies, but transforms into something else. And Socialism may be quiet for quite some time or indeed maybe Communism is dead but if free society or free market or individual sovereignty do not do too well, if it is not properly articulated and practiced, I think we're going to have the Socialists back again or even the worse.

What about Socialism's prospects in the developing countries? They certainly do not seem to have repudiated socialism yet.

Well I guess so and I think I would really blame the World Bank and the IMF institutions and even like organizations like the UN and the World Trade Organization. I think they are very responsible for the kind of situation we have in the third world where we are unavailed of free-market virtues, and academia who represent the free market. But we have the World Bank instead and that is the model which really looks upon the government to develop an economy. And once you do that it is no different from Socialism. It's the same kind of a thing but named differently.

MICHAEL NOVAK INTERVIEW

Michael Novak is director of Social and Political Studies at the American Enterprise Institute.

What's the prognosis for Socialism?

As an economic model, Socialism is certainly dead. The collapse of the Soviet Union showed it just isn't very good, it was a fifth-rate economy as Gorbachev ended up saying. As an economic idea, though, what's really fundamental to Socialism, is much deeper than an economic model, it seems to be a hatred for markets, for private property and for profit.

It seems as though socialism has gone on to live in other forms, other political movements and other incarnations.

Well that's what it looks like, doesn't it. Their model died but have they given up? No, they now call themselves Social Democrats and they're still working in much

the same ways. They recognize now that markets and private property are good engines of producing wealth, they need that, but they want to cap them and control them and, you know, there's the same old impulse. The anti-globalization incoherence; the arguments and the demonstrations -- people fly on great airplanes and then they're against the great multi-national corporations that make things like airplanes. I mean it's a little bizarre. They moved towards a nature religion, you know, the confluence both of religious strains that went into Socialism and of atheist strains that went into Socialism have sort of blended together now in a kind of idea that Mother Nature is friendly and placid and hospitable to human beings and suddenly human beings injure the environment without thinking of the fact that until very recently, until the last two hundred years, nature was doing all it could to kill the human race and the average age at death was about eighteen until the year eighteen hundred. Disease ravaged human beings until we gradually learned what caused those diseases and how to defeat them. So, the environmental movement is the natural overflow of Socialism, it's done a lot of good work and seldom has a movement won such universal consensus so swiftly. But nonetheless, the leaders of that movement have a profoundly Socialist impulse; faced with any problem they turn to the state and impose their controls. That's slightly beginning to change now and I hope it changes quickly because Socialism and environmentalism will work just as badly as they did in the Soviet economy. The Italians have a saying that the environmentalists begin the summer green but by mid-summer they're red; they've turned to the state and they're exactly where the old Socialists were.

Has the full toll of Socialism's global history been taken into account yet?

Well one thing that's deeply concerning is Socialists are not very introspective about the roots of their own theories and about what those roots lead to, why those roots are ambiguous. They have not really confronted the mountains of dead, 53 million dead in the Soviet Union alone and maybe as high as 90 million if you count in Mao Tse-tung, Pulpot, Castro, Kim Il-Sung and all the other Socialists around the world. Terrible things have been done in the name of Socialism and done in the name of the Left and done in the name of progressive forces. Why? I mean, what's the ambiguity at the heart of Socialism that it is capable of such tragic developments? There's been very little self-awareness of that in dealing with it. And that's a danger. That means that people are not really ready for moral responsibility, not really standing up to the ambiguity in their own project. And, liberty is in very short supply in this world. Liberty in the economic sphere, liberty in politics and in religion, liberty in culture -- the three major liberties of human being, political, economic and cultural. And so people from all around the world stream toward those few places where you can find liberty. But it's always under threat and Socialism is one of those threats. It tries to impose collective controls, and to diminish the amount of personal liberty and personal opportunity and aspiration wherever it goes. And um, and yet there is something dynamic and moral in the heart of Socialism as well. It's that ambiguity that keeps the thing alive and it makes it always a danger.

MICHAEL JACOBS INTERVIEW

Is there a downside to capitalism as practiced today?

One of the things that's happening in Capitalism now is environmental degradation. As Capitalist markets expand, as people consume more things, great though that is, we cause more environmental problems – global warming, local air pollution, depletion of fish stocks, deforestation and so on. And those problems can't be solved by the further application of Capitalism. They have to be solved by restraining Capitalism in various forms, that is by stopping companies doing things. Now we need to do that in ways that keep markets operating as efficiently as possible. But in the end as we've already seen over the last twenty years, we will need laws, regulations and taxes to prevent those adverse environmental consequences of the growth of Capitalism and consumption.

So there is still a future for regulation in the public interest?

With Social democracy, we're talking about controlling markets so that they generate positive social outcomes. For example, environmental outcomes or a fairer distribution of wealth and income across individuals within countries and between them. And the reason I think that that has a future is because Capitalism generates problems and the reaction to that, those problems mean that people feel at various times, but I think increasingly, that you need to control those processes of Capitalism to generate those positive social and environmental outcomes. And so people enjoy the benefits of Capitalism, the love consuming and of course they do, of course we do. But they also see the problem, environmental problems or social problems, of crime and so on, and then they think, "Well we need to control Capitalism so that we don't get those results." And that's why I think there will always be an electoral market, as it were, for collectivist or social democratic solutions.

Socialists believe the state can change the nature of man to create utopia. Is that ideal still held?

I think the idea that in some way Socialism is about utopia has gone. I think there was a period when Socialists genuinely thought that you could create a completely different kind of society and in that society people would be completely different, we'd create a new human being. I don't think many people feel that now. I think what we still feel, however, is an idealism. I wouldn't call it utopianism; it's not about perfection but it is about making the world a better place. If you look at the world today, you've got mass poverty around the world, you've got terrible environmental degradation, you've got torture, human rights violations and so on. And those of us who are Socialists look at that world and say, 'surely we can do better than this.' We want to create a better world. And in that sense, there is still I think a radical idealism and I think there always will be

as long as there are young people who look at the world and say, 'this isn't good enough.'

Will people's perceptions of socialist ideals change in the coming years?

I suspect that over the next few years we will see the growth of some Right-wing governments that will try free-market solutions to various social problems, or they will try punitive solutions. They will clamp down on immigration, on crime and so on, and I think they will fail. And I think they will fail because we have to address the social causes of these problems. We have to address the economic pressures that lead to environmental degradation, the inequalities that lead to crime and social disorder, the inequalities between countries that lead to migration. And once Right-wing governments have failed to do these things, then I think people will say, 'we need to try those collective social-democratic solutions.' And I suspect that in twenty years' time people will understand that even though it's sometimes an incursion on what looks like their freedom, it's sometimes an incursion on their capacity to consume. If we want all the other good things of life, not just freedom and consumption, if we want good environments, socially ordered societies and so on, we need social-democratic solutions.

Is the globalization of the economy helping or hurting the poorest countries?

Many third-world countries are being forced by the pressures of economic globalization and the international institutions, which are forcing them down this road to adopt very free-market development paths where they open up their markets to imports, where they liberalize so that they allow private companies usually from overseas, to come in. Unfortunately while some countries can benefit from this approach, many I think will find that it leads to increase in poverty for many of their citizens. And I do think that over the next few years, many of them will say, 'we need to protect our economies so that we can grow our indigenous economies under some kind of protection.' This is, after all, how western countries develop. We did not develop, we did not industrialize by opening up our markets to everybody else; we developed them by protecting them and by giving the poor a stake in that process. And I think many developing countries are increasingly finding they need to do that now.

MICHAEL GOVE INTERVIEW

Michael Gove is an assistant editor at *The Times of London*.

What is the state of socialist political parties in Europe today?

One of the most frightening things about politics in Western Europe in the last few years has been the defeat of Socialist or Social Democratic parties. In a string of countries from Portugal through Holland to Denmark and France socialist and Social Democratic parties have lost at the polls. Now one of the reasons for them losing is simply incumbency; they've been in power too long.

But one of the other reasons that they've lost is ideology. There's been a sense that the answers, which the Left had for our problems in the nineties, have been seen to fail.

How is the Left of today different from the Left just after World War II?

There's been a huge change in the way in which the Left has operated since the Second World War. Of course, during the post-war 1945 to 1990 period, the Left in Western Europe was committed to a much bigger role for the state in organizing people's lives. Since the collapse of Communism in 1990, the notion of the state as an automatically magnificent intervener in people's lives has taken a powerful knock and the Left has moved on but it's tried to operate in new ways. There are some people on the Left who basically have become market-friendly but still egalitarian, people like Tony Blair, and they still have some partisan power. But there are others on the Left who've either tried to defend a big role for the state, even though that idea has taken a knock, or who tried to move into the arena of lifestyle politics – environmentalism, gender issues, multiculturalism. And while these ideas have bewitched many Leftist intellectuals, they leave a lot of voters cold.

Is Socialism -- as a movement, an ideology -- dead?

I don't believe that socialism is dead because I don't believe that the impulse which drives people towards the Left, the desire to control, meddle and interfere in other people's lives, can ever die. But I do think that socialism, as we've traditionally understood it in Western Europe, using the state to organize economic activity and using the state as a sort of hammer to knock society into shape, I think that sort of socialism has changed. And I think it's important for people on the Left to recognize how socialism has changed so they can make the case. And I think it's also vitally important for people on the Right to understand how socialism has changed so that they don't attack straw men of the past, but they realize what the real challenges are now.

Why have right-wing parties become successful and what do they need to do to stay in power?

I think at the moment the Right, both the center Right and the populist Right in Europe, has the wind behind its sails. But, and it's a big but, the Right in power has to show that it understands why it came into power. One of the key problems in Western Europe is a need for economic reform, particularly as a consequence of European integration. And there are many conservative and right-wing parties that are ambivalent about economic reform across Western Europe. And unless they grasp that issue, then they may well fail in government. And there's another problem that parties of the Right have if they're to make a success of government, and that's the whole question of European integration. It would be a tragedy for parties of the Right, having been elected on the basis that they will be more free-market and essentially more patriotic, it would be a tragedy for these parties if they were to yield power to a bureaucratic and transnational elite in Brussels. By doing so, they would be forfeiting the faith which their

electors have placed in them. So if the Right is to succeed in Western Europe, it's got to grasp the letter of free-market reform and it's got to ensure that the European Union develops in a liberal, while an estatist direction.

Is there room for the Left Wing in politics?

There'll always be a Left in politics and some of the people on the Left will always have an idealism from which we can learn. There will be dreamers, visionaries and utopians, some of whose anger will contribute to righting injustices. But the problem with the Left and the problem that we've seen throughout the Twentieth Century is that far too often these ideals are perverted and far too often these ideals are excuses for another impulse, which is basically to take human nature and to remake it and to refashion it in a way that suits an elite of intellectuals. Those people on the Left who are genuinely animated by desire to help their fellow man, are people we can work with and we can learn from them. But those many others on the Left whose primary desire is to control, regiment and pigeonhole will always pop up in different political parties and will always need tantering by people like myself who consider themselves to be liberals first and foremost, but liberals of the Right.

MELANIE PHILLIPS INTERVIEW

Do you believe Socialism is dead?

I think I'm very much persuaded by the arguments that I've heard today that Socialism is not dead; that it has mutated in various ways. I, myself, am very much persuaded that that is the case. The fundamental principle that animates Socialism, which is that people have to be told how to behave in the interests of an ideal which is basically utopian, the perfect society, remains the animating principle behind contemporary Socialism. But whereas old-style Socialism concerned itself with economics, that's no longer appropriate. The fall of Soviet Communism meant that Socialists could no longer argue for collective economics. They embraced the free-market because they had no alternative. But I think that their revolutionary ... pursuit of utopia has translated itself into the arena of the personal, into identity politics concerned with issues to do with race, with ethnicity, with sexuality and gender, with culture. The idea that a common culture, a majoritarian culture is illegitimate and that society should reconstruct itself into multi-cultural societies. These are things which now animate contemporary Socialism.