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reply

Andrew Collier

Response to Geoffrey Hodgson

CRITICAL REALISM AND SOCIALISM

Geoff Hodgson wants critical realists to recognize that critical realism by itself has no political implications. For myself, I have never thought it had. Critical realism *combined with certain empirical claims* has political implications, and what those implications are depends on the empirical claims. For me, the relevant claims are (1) that capitalism is exploitative, for which the theoretical grounds are so well known from the Marxist literature as not to need reiterating, but which should also be obvious enough to anyone who follows first world-third world relations even without following the intricacies of Marx's argument. And (2) that the augmentation of human powers by technology is an increasing threat to life on Earth so long as those powers are not subject to collective human control, but are used in ways determined by the need of commercial concerns to survive in the market. It is like giving hand grenades to children in an unsupervised playground. It is in this way and no other that capitalism is bound to lead to disaster. Market socialism, while it would abolish some forms of exploitation, would not touch this problem. A workers' co-operative producing for the market is constrained by the market to put profitability before the environment as much as is a capitalist firm. I argue for these positions in my book *Socialist Reasoning*; I do not do so in my specifically critical realist works, as that would not be the right place.

These empirical considerations lead to socialist conclusions. By 'socialism' I mean quite simply common ownership of the means of production.

Arguments against socialism

But if critical realism does not by itself entail a socialist conclusion, that does not mean that it can not enter into arguments for socialism. In the first place, it does have implications for the admittedly vague goal of 'human emancipation'; that human emancipation can, in the modern world, only take the form of socialism follows, not from critical realism itself, but from the analysis of modern societies, which has been very thoroughly carried out in the Marxist tradition. But more importantly, several (not all) anti-socialist positions and arguments really are undermined by critical realist arguments: I refer to methodological individualist arguments for liberalism, and Popper's argument that in a parliamentary democracy you can do anything that you can persuade a majority to want, insofar as it supposes that there are no constraining structures, only states of affairs which can be ameliorated.

Geoff Hodgson seems to suggest that because critical realists have not refuted Hayek they have not refuted any of the arguments against socialism, but that does not follow. However, Hayek's case against socialism, while the most serious one, is not invincible; firstly because all the epistemological arguments against central planning are equally arguments against planning within the great capitalist corporation; secondly because the 'socialist calcula-

tion debate' was not, as Geoff Hodgson seems to suggest, a two sided debate between advocates of socialist calculation and advocates of non-socialist non-calculation, but rather a four sided debate between these two and advocates of non-socialist calculation, and advocates of socialist non-calculation. (Otto Neurath). (See John O'Neill's excellent book *The Market* for an account of this debate, and the beginnings of a case for 'Hayekian socialism'.) My own bets are on Neurath. And finally – and here we come to the empirical and hence political difference between Geoff Hodgson and myself – because markets and command economies are clearly not the only possible contenders. For there is no necessity for the economy to be governed by one level of institutions (whether private firms or states), with command relations within them and market relations between them. There is a third possibility, distinct from mere compromises between markets and Gosplan. Federalism, with some powers in the hands of local democracies and some in the hands of larger ones leading up to global democracy, is conceivable in the economy as well as in politics. To an extent this plurality of levels exists (minus the democracy) within firms and government departments even now. British universities used to be run this way ('collegiality'). If a utopian blueprint is desired, the Guild Socialists provided one long ago, and before them all the co-operative and associationist socialists of the last century; it is just not true to say that 'no alternative solution ... has ... been outlined in any detail'. Though having said that, I share with Marx the idea that pre-empting the freedom of future generations by providing detailed blueprints is not the sort of thing that a democrat ought to do.

Now these last points belong to the empirical determinants of politics, not to critical realism; but there is a homology between them and critical realism in that critical realists analyse the world as composed of recursive structures – structures whose parts are structured and which are themselves parts of larger structures. And this is the sort of economic structuring which is here envisaged.

It must also be said that belief in the possibility and desirability of an alternative to both markets and command economies does not commit one to ruling out all trace of markets or of central planning; I take it for granted that for the foreseeable future both will exist alongside the sort of associations and local democracies that I hope will be the prevalent form of economic organization. Nothing that I have said commits me 'not merely to marginalize markets but to exclude them entirely', as Geoff Hodgson says.

POLITICS

So much for the relation between critical realism and socialism. It remains to make some points about politics, both to correct a false impression of my views that Geoff Hodgson gives by selective quotation, and to challenge the rosy picture he paints of social democracy.

He quotes my remark that the events in Eastern Europe in 1989–1990 'for the most part led to economic and social developments which are the opposite of emancipatory'. He

complains that I don't say what 'the opposite of emancipatory' means, or whether pre-1989 Eastern Europe was more emancipatory. He does not say that I refer to the events of 1989–1990 as 'the political emancipation of Eastern Europe', clearly implying that, while politically these events were a genuine emancipation, socially and economically they were the opposite. In what way opposite? I didn't think I needed to spell out that inequality has increased greatly in those countries, which, combined with a fall in productivity, has led to unemployment and a rise in absolute poverty; that in many places there are racist attacks on Gypsies and other ethnic minorities, and in some the obscenity of 'ethnic cleansing', and so on. Another misreading due to selective quotation relates to the passage in *Scientific Realism and Socialist Thought* where I say

laws of economics and politics in a capitalist society ... trap the would be reformers inside circles of constraint *narrower than those set by the limits of the technically possible*. Marxian economic theory explains the mechanisms of this constraint, and socialist politics offers a means to their abolition: it is explained how optimum use of resources could be made, and why this is not possible under capitalism. (69).

Geoff Hodgson quotes this omitting the italicized words. He then comments 'it is simply unconvincing to suggest that no constraints whatsoever would exist under socialism'. Of course it is, and no one has ever suggested this. Indeed, Roy Bhaskar defines emancipation as the substitution of needed and wanted constraints for unneeded and unwanted ones. Geoff Hodgson goes on

Neither Marxism nor critical realism gives any reason why the constraints under socialism would be more or less pressing than the constraints under capitalism.

This is extraordinary. Read properly, Marxism is about nothing else but the abolishable constraints of capitalism, and I have spelt this out at the end of *Scientific Realism and Socialist Thought*. To name but two such constraints, capitalist production is driven by calculations which are systematically blind to all effects of that production apart from the profits that accrue from it; and capitalist economies cannot be made to distribute income equally. Even the late 'People's Democracies' achieved a level of equality unmatched anywhere in the capitalist world, and there is every reason to think that democratic socialism could do better than them in this respect.

Structural constraints

This question of constraints brings us to the question of the record of social democracy. I do not deny that social democracy has in the past made real gains; Keynesian Britain from Attlee to Wilson was a better place to live than monetarist Britain from Callaghan to Blair. But the most causally powerful structure – private property in the means of creating wealth – remained intact and not only prevented even Labour governments from delivering jobs and adequate housing for all (let alone a classless society), but also enabled the ruling class to destroy

most of the gains of social democracy when it suited it to do so. It is because social democracy, even in its heyday, did not transform the most causally powerful structure that its amelioration of states of affairs, which was real enough, was so fragile. Furthermore the achievements of social democracy belong to the past. The transformation of the capitalist economic structure from a national to a global one has reduced the scope for amelioration of states of affairs by elected governments almost to vanishing point. Consequently, the Blair government is in a profound sense Thatcherite, just as the MacMillan and Heath governments were Attleeite. So Geoff Hodgson's Note 12 evoking the benefits of Roman rule in *The Life of Brian* rings rather hollow now: apart from de-nationalizing the Bank of England and cutting single parents' benefits, what has New Labour done for us? My point of course is not that Blair is a shmuck but that the economic structure sets constraints on what can be done, that it can be transcended only by transforming that structure.

reply

Geoffrey M. Hodgson

Andrew Collier's Promised Land

I am very grateful to Andrew Collier for his thoughtful reply. He seems to concede much of my case, accepting that 'critical realism by itself has no policy implications'. He even admits that critical realism's particular 'emancipatory' claims are 'vague'. He openly concedes that the claim that human emancipation can only take the form of socialism 'follows, not from critical realism itself', but from Marxism. But he then goes on to argue that critical realism, combined with some 'empirical claims', does have socialist implications.

However, while arguments about policy issues are important, they are of little relevance to the central argument in my essay. The argument there is *not* whether emancipation is possible or impossible, or whether socialism is desirable or possible, or whether social democracy is flawed or otherwise. *The argument is whether policy statements on these matters flow directly from critical realism.* In response, Andrew suggests that such policies do flow from critical realism when 'empirical claims' are added, as magic ingredients, to the stew.

Andrew accepts that 'critical realism does not by itself entail a socialist conclusion'. He then adds: 'that does not mean that it cannot enter into arguments for socialism'. Andrew then engages in such arguments. My question is this: is it Andrew or critical realism that is 'entering in' here. As far as I can see, it is not the doctrine of critical realism that enters. It is the socialist Andrew, who happens to be a critical realist. Andrew makes no effort in his reply to show that his own preferred policy position flows from his critical realist philosophy.

Andrew says that he concentrates on politics 'because that is where the real disagreement' lies. However, our differences on politics are not the central issue of debate here.

Political pluralism

I have inevitably concentrated on points about politics because that is where the real disagreement lies. But to return to the relation between critical realism and politics, the situation is nothing like so monolithic as Geoff Hodgson makes out. He himself exempts Margaret Archer and Tony Lawson from some of his strictures, and they are leading figures in the critical realist movement; there are critical realists in the Labour Party, the Green Party, the Socialist Workers' Party and no doubt other parties, and that is as it should be; there are critical realists who are Catholics, Protestants, atheists and Transcendental Meditators, and that is as it should be; there are critical realists, for example Andrew Sayer, who have criticized Roy Bhaskar's and my views on human emancipation, from inside the movement, and that is as it should be; but Roy and I do hold socialist views, and don't always keep them quiet when we are writing about critical realism, and that, too, is as it should be.

The debate is about whether specific policy claims can be drawn out of critical realism. I am not saying that anyone should keep their political views quiet. On the contrary. What I do ask is that when claims are made that critical realism leads to specific policy outcomes then such claims should be substantiated. So far, they have not.

Andrew makes a number of important but undeveloped and unsubstantiated socialistic claims. He takes us through a whole series of – at best marginal to the argument – policy issues, including the virtues of the best form of socialism and the vices of the Blair government. The chief merit of all this policy discussion is that Andrew, seemingly alone among critical realists, does – albeit very briefly – try to define what 'socialism' is.

What Andrew fails to demonstrate is that his now emerging position on the shape of his desired socialism has anything to do with his critical realism. He fails to demonstrate how *critical realism* shows that democratic socialism is possible. It may, or may not, be possible. But critical realism does not inform us either way. The reason for this is simple. To date, there is no critical realist account of the detailed structure and economic workings of a socialist system. To date, there is no critical realist evaluation of the Austrian theoretical claim that meaningful economic calculation under socialism is impossible.

Mention of John O'Neill's important book *The Market* (Routledge, 1998) does not help Andrew's case. In his book, O'Neill makes no reference to critical realism and it does not explicitly build on critical realism.

I have discussed these issues elsewhere. In my recent book *Economics and Utopia* (Routledge, 1999) I evaluate both the strengths and the limits of the Austrian School claims of von Mises and Hayek, and discuss the possibili-