

1. While attempts at socialism over the last century have had varying degree of success, each has sought to establish an egalitarian society to replace the structural inequalities inherent to capitalism. Comment.

Introduction

- Socialism is a range of economic and social systems characterised by social ownership and democratic control of the means of production as well as the political theories and movements associated with them.
- Capitalism is a type of social system that follows the belief of individual rights. From political perspective, capitalism is the system of laissez-faire (freedom). Lawfully, it is a system of objective laws that is rule of law in contrast to rule of man. In financial terms, when such freedom is applied to the domain of production its result is the free-market.

Body

Attempts of Socialism

- Capitalism is viewed as an irrational system resulting from market anarchy, which leads to high social waste and suffering (notably through crises and unemployment). It produces large inequalities and works in favour of a wealthy minority, both within capitalist societies and at the level of the capitalist world economy. But with its inequalities of power and wealth, capitalism nurtures economic inequality alongside equality under the law. Eg. The wealthiest 1 percent of American households own 40 percent of the country's wealth
- Ideal or existing socialism, on the other hand, is seen as allowing consciously planned rational development, which does away with such capitalist flaws as recurring crises, waste and unemployment; it fosters social equality and may promote a higher form of liberty where a united society comes to master its own progress.
- Socialism, as an alternative system, has proved to be sustainable in terms of decades, but not beyond. Its failure is patent, when judged according to the very objectives and values that were basic to its promoters and advocates, especially the aim of overtaking capitalism in terms of rationality, efficiency and welfare, and of eventually replacing it as a more progressive historical economic system.
- If socialism is interpreted as a substitute for capitalism in countries that had missed the first industrial revolution (as suggested by Robinson, 1960), the overall judgment is more mixed, but in a majority of instances (the Chinese being the exception), the early reduction of the economic distance with capitalist countries at a similar initial level of development was followed by a growing gap during the last two or three decades of the systemic life cycle of socialist economies.

- While some socialist countries managed to introduce positive economic reforms at the end of Great depression, most reformist experiences were disappointing or short-lived. Moreover, the political element in the institutional base of these systems was the ultimate obstacle to genuine adaptive reform (though China later represented an interesting exception, as noted earlier).
- In the current scenario Norway is one of those countries that very closely approximates the democratic socialist ideal and is more successful than United States on virtually every social metric one can name. Also socially, it routinely ranks as the Happiest (2017) or second-happiest (2018) country in the world.
- On the other hand, on the policy side Venezuela is one of that country which is ostensibly socialist and undergoing a severe economic crisis.

Conclusion

Socialism, as the term has evolved in mainstream usage, does not mean a total absence of markets, just as capitalism does not imply a total absence of public ownership and regulations.

2. Although proponents of the same philosophy of socialism, the social democrats and the communists had different approaches to implementing socialism. Elucidate.

Introduction

Democratic socialism describes a socialist economy where production and wealth are collectively owned, but the country has a democratic system of government. Communism is an Economic and social system in which all property and resources are collectively owned by a classless society and not by individual citizens.

Body

Social democrats approaches to implementing socialism.

- Democratic socialism is committed to more liberty. The most disadvantaged and the wretched individuals must be lifted from their ignoble condition and this can be done by the state. Democratic socialism says that the doors of liberty shall be opened to all and not to few. It is loudly claimed by the democratic socialists that allowance of scope to everyone for the enjoyment of liberty will finally open the way for overall participation in the processes of state. This we can call maximization of liberty.
- Every democratic socialist claims that equality is a very important value or principle. In a socialist society based on democratic values and principles

everyone will have the opportunity to enjoy equality. In other words, unjustified or unreasonable differences cannot be allowed to rule the society. Equality also means the absence of special privileges.

- It is the goal of democratic socialism to bring the chief sources of production under the authority of state and to give due share to labour.
- Since democratic socialism falls in the category of evolutionary socialism it avoids in all probable ways the techniques of armed struggle or revolution. In its account force or coercion is associated with revolution and, therefore, it should not be used. There are many peaceful ways which can be applied for “reaching the goals of socialism. Moreover, coercion means the abduction of freedom of the individuals and such course of action is to be avoided at any cost.
- The most important peaceful way is the reforms. The democratic socialists want to build up socialism within the main structure of capitalism and because of this they argue for introducing reforms. They believe that if reforms are successfully implemented they can produce the results which revolutionary socialism promises to bring forth.
- Economic planning, introduced to streamline production and distribution in a planned way, is an important method of democratic socialism. The management of production and the distribution of produced commodities is performed through planning. Planning in democratic socialist state plays a very crucial role. Because of planning the management of economy proceeds in a definite and scientific way and this assures the attainment of promised goals, especially the proper distribution of wealth, and in this way the reduction of inequalities is possible.

Communists approaches to implementing socialism.

- Communist Manifesto includes Abolition of property in land and application of all rents of land to public purposes, A heavy progressive or graduated income tax, Abolition of all right of inheritance, Confiscation of the property of all immigrants and rebels, Equal liability of all to labor and establishment of industrial armies (especially for agriculture), The gradual abolition of the distinction between town and country, Free education for all children in public schools and abolition of children's factory labor, Centralization of credit in the hands of the state, The state would control communication and transportation, The state factories and instruments of production would cultivate wastelands and improve the soil etc.
- The manifesto mentions state ownership, which makes even this pure vision of communism sound like socialism. But the state ownership is a valid stage in the transition to communism. In a true communist economy, the

community makes decisions; in most communist countries, the government makes those decisions on their behalf. This system is called a command economy.

- The leaders create a plan that outlines their choices, and it's executed with laws, regulations, and directives. The goal of the plan is to give to "each according to his need." Communist countries have free health care, education, and other services. The plan also seeks to increase the nation's economic growth, secure national defense, and maintain infrastructure.
- The state owns businesses on behalf of the workers, which, in effect, means the government owns a monopoly. The government rewards company managers for meeting the targets detailed in the plan. In communism, central planners replace the forces of competition and the laws of supply and demand that operate in a market economy, as well as the customs that guide a traditional economy.
- Communism has a centrally planned economy; it can quickly mobilize economic resources on a large scale, execute massive projects, and create industrial power. It can move so effectively because it overrides individual self-interest and subjugates the welfare of the general population to achieve critical social goals. Communist command economies can wholly transform societies to conform to the planner's vision.

Conclusion

Communism is what existed in the Soviet Union and still exists in China, Cuba, Laos, North Korea and Vietnam. It isn't monolithic, but the common thread is a fully centralized economy achieved through revolution. At the other end is social democracy, which is common in Europe. It preserves capitalism, but with stricter regulations and government programs to distribute resources more evenly.

3. A combination of economic uncertainty and a lack of trust in the solutions offered by incumbent politicians, is a fertile ground for fascism/ authoritarianism. Do you agree? Critically comment.

Introduction

Fascism is a political ideology characterized by far-right, authoritarian ultra-nationalism. It has features like dictatorial power, forcible suppression of opposition, and strong regimentation of society and of the economy. Fascism came to prominence in early 20th-century Europe.

Body

It is said that economy is the basis of empire. Economic uncertainty creates hardship among masses, yearning for a change. Coupled by lack of trust in the solutions

offered by incumbent politicians create anti-incumbency feelings, creating new political space. Hence, emerge a new leadership, which sheds reluctance of previous regime and emboldened by the public mandate develops fascist/authoritarian tendencies. Authoritarianism may also get support for quick implementation of solutions and fulfilment of the aspiration of people.

This has been shown time and again throughout the history –

- Reign of terror – one of the most brutal autocratic regime in France 1933-34 combination of economic uncertainty and a lack of trust in the solutions offered by incumbent politicians.
- Rise of Hitler – one reason for rise of Hitler's Nazi party was economic uncertainty and global depression. Treaty of Versailles also put mistrust among the Germans in the previous regime.
- Russian revolution – Lenin's rise to power was enabled by mismanagement of economy by and mistrust in Czars rule.
- Pakistan – Military rule in Pakistan was due to economic stress and lack of trust in political leaders.
- Arab spring – in Middle East.
- Right wing – Rise in right wing government in France, Britain, Turkey etc. Lack of trust in the solutions offered by incumbent politicians lead to Brexit in Britain.

However not always does combination of economic uncertainty and a lack of trust in the solutions offered by incumbent politicians lead to fascism/ authoritarianism –

- India despite economic hardships and lack of trust in the incumbent politicians has never become victims of fascism/ authoritarianism. Indians have always taken fight ballet rather than bullet.
- During economic depression, which began in 1929, U.S remained democratic and overcame the economic hardship. Thrust in democratic values remained intact in the world's oldest democracy.

There are many other reasons for breeding of fascism/ authoritarianism like ideology of selective nationalism; propaganda, for example against Jews by Nazis in Europe.

Conclusion

As per Ruth Benedict, it is 'national characteristics' that will decide fascist/ authoritarian tendencies of a nation, despite conditions like economic uncertainty and a lack of trust in the incumbent politicians being the same.

4. Do you agree with the socialist argument that society's inequalities in income and power stem from the capitalist system that dominates the world today? Critically comment.

Introduction

Capitalism and Socialism are the two primary economic systems used to understand the world and the way economies work. Their distinctions are many, but perhaps the fundamental difference between capitalism and socialism lies in the scope of government intervention in the economy.

Body

The capitalist economic model relies on free market conditions to drive innovation and wealth creation and regulate corporate behavior; this liberalization of market forces allows for the freedom of choice, resulting in either success or failure.

In capitalist economies, people have strong incentives to work hard, increase efficiency, and produce superior products. By rewarding ingenuity and innovation, the market maximizes economic growth and individual prosperity while providing a variety of goods for consumers.

The socialist-based economy incorporates elements of centralised economic planning, utilized to ensure conformity and to encourage equality of opportunity and economic outcome.

Following factors can be considered in understanding the socialist critique of capitalism with regards to society's inequalities:

- Under capitalism, because market mechanisms are mechanical, rather than normative, and agnostic in regard to social effects, there are no guarantees that each person's basic needs will be met.
- Markets also create cycles of boom and bust and, in an imperfect world, allow for "crony capitalism," monopolies and other means of cheating or manipulating the system.
- According to socialists, Capitalism makes possible universal abundance through focus on productivity. But its central features—market competition, the pursuit of profits, and private property—ensure that this possibility will never be realized.
- Socialists argue that Capitalism misallocates resources towards producing what is profitable rather than what is needed. Though what is needed can sometimes be profitable. But often the two categories come apart. For example, production of luxury goods.
- Further, capitalism is also inefficient in its use of human labor power. Capitalism functions best when there exists a "reserve army of the unemployed," in Socialist terminology. The credible threat of unemployment reduces workers' salary demands and increases their work effort.

- Socialists want democracy to have very broad scope where they want citizens to be highly involved in democratic processes and they want citizens to have roughly equal opportunities to influence these processes. Further, that the democratic ideal, understood in this rich and demanding way, militates against capitalism
- According to many socialists, one of capitalism's central moral failings is that it is exploitative. Exploitation is "a kind of coercive prying loose of unpaid labor". This may appear counterintuitive as capitalism provides choice but in the absence of alternative, choice becomes dependency which leads to exploitation.
- Socialists posit that capitalism market logic leads to deeply anti-social relations where community life is sacrificed at the altar of individual interest. This further leads to inequality in material and social sense.
- The rise of giant multinational corporations has been a topic of concern among scholars, intellectuals and activists, who see the large corporation as leading to deep, structural erosion of such basic human rights and civic rights as equitable wealth and economic distribution, equitable democratic political and socio-economic power representation and many other human rights and needs.

At the same time, it is necessary to consider that socialism's solutions to capitalism's ills have been ineffective and created more issues in society in the form of centralization and negation of choice.

According to socialism everyone must be equal, one way to do this is to 'level down' the better off, but this is morally repugnant. So socialism is generally rejected.

Conclusion

In the present world context, classical capitalism has faded into the background after the emergence Keynesian model and further, economies have tended to combine elements of both systems where capitalism has developed its safety nets, while countries like China and Vietnam are edging toward full-fledged market economies.

5. What do you understand by 'neoliberalism'? What are its characteristics? How is it different from socialism? Discuss.

Introduction

Neoliberalism is an ideology that emphasizes the value of free market competition. It is closely associated with the ideology of Laissez-faire economics with minimal state intervention in economic and social affairs, and its commitment to the freedom of trade and capital. It emerged due to the failure of communist and socialist policies which resulted in high public debt.

Body

Characteristics of neoliberalism:

The philosophy of neoliberalism is usually considered as a modern alternate of classical economic liberalism. It is centered on a conviction in the self-regulating capacity of the market and correlatively the need to restrict the scope of action of the state. Its characteristics include

- Liberalization and privatization: Opening up sectors for private participation where government regulations are relaxed and hitherto banned sectors are opened up for private sector.
- Government as a business enterprise: Government at all scales under neoliberalism is turned into a business and citizens are consumers of public goods.
- Free flow of capital and labour: the foreign investment has limited restrictions. labour mobility is relaxed.
- Limited trade barriers facilitating free flow of goods and services with least tariff and non-tariff barriers.
- The increasing replacement of the Citizen with the Consumer as the most important and respected identity and mode of communication with both the State and the Market.
- The public has a choice in goods and services due to competition as multiple players are involved in production.
- Trickle down philosophy: Under neoliberalism, the belief and rhetoric of “trickle down” economics runs strong and alongside it the belief that everything would be better off if it were a private business.
- personal responsibility doctrine: all emphasis on individual. Every transaction happens at the individual level.

Difference from socialism:

- Government role:
 - it has the role of facilitator with limited role in neoliberalism where as in socialism, the state has a major role responsible for the welfare of its citizens.
 - The role of the state is to regulate the markets, in the public interest in socialism, whereas the role of the state is in service of the markets, in the interest of market players in neoliberalism.
- The government impose trade barriers in interest of the domestic producers where as in socialism, there is limited trade barriers in interest of domestic consumers.
- Labour is mainly domestic and there is limited flow of labour as well as capital in socialism where as in neoliberalism, labour and capital mobility is relaxed.
- Citizen welfare and well-being is the responsibility of the state in socialism whereas in neoliberalism it is contingent on market forces and individual.

- The citizens are viewed mainly in passive welfare perspective in socialism whereas in neoliberalism, they are seen as active consumers.

Conclusion

A general characteristic of neoliberalism is the desire to intensify and expand the market which act as a balancing force. Neoliberalism has overcome the problems of socialism by the rightful mix of market and state role in providing efficient and effective goods and services to citizens.

