

Debate

Rescuing the middle ground: neo-liberalism and associational socialism

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Abstract

This paper replies to Peter Saunders' critique of my 'New ideas of socialism' and takes the debate further by clarifying my advocacy of 'associational socialism' and making a more general critique of neo-liberalism. The combination of decentralization and co-operative co-ordination envisaged in the idea of 'associationalism' is defended and clarified. It is argued that repression is not necessarily inherent in socialist ends. Libertarians are seen to be poor liberals with a limited and unambitious concept of freedom which focuses on the dangers of state power but glosses over economic and social threats to liberty. It is argued that socialism should be about balancing liberal and socialist principles rather than opting for one side over the other.

Socialism does not have a monopoly on virtue or wisdom and should respect what it shares of these with liberals and libertarians like Peter Saunders. 1 His main criticism of my 'New ideas of socialism' (Martell 1992), that I gloss over possible problems with socialist ends, is fair (Saunders 1993). However, beyond this general point his arguments are riddled with flaws. The main overall problem is his reduction of socialism to a set of over-extreme conclusions and the exclusive and one-sided opposite this leads him to argue for.²

For neo-liberals like Saunders liberty is seen as threatened by equality and the state and so has to be pursued exclusive of a commitment to such institutions. I argue below that in some cases equality and intervention can further liberty. Similarly neo-liberals focus their fire on the state to the exclusion of the economy. Constructivism is seen as the coercive threat but economic wealth and market forces are excluded from the range of factors threatening liberty. Yet the state can sometimes be the friend of liberty and property and market inequalities its enemies.

Neo-liberals cannot deal with mixes of equality, intervention and liberty in

the middle ground or a non-dogmatic inclusive understanding of the range of threats to freedom. Whatever else he has shrugged off, Saunders (a one-time supporter of the left) has been unable to escape a major flaw in old socialist modes of thinking - the reduction of the world into exclusive ideological opposites - and he has merely escaped from one such opposite to another. What has led him to Hayek rather than the more moderate and mixed socialistic liberalism of John Stuart Mill confounds me (see, for instance, Mill 1974).

Consumers, corporatism and community: some misunderstandings

In this section I will correct some misunderstandings Saunders makes of my position on - (1) the role of consumer representation and market research, (2) localism and corporatism and (3) the mutualism of the market and the state imposition of community. In the sections that follow I will concentrate on matters of more substantive disagreement concerning - (1) actually existing socialism, (2) equality and repression, (3) the Rule of Law and (4) positive and negative liberty.

On the first point of misunderstanding Saunders is sceptical about my proposals for consumer representation on company boards and market research to identify needs inadequately represented by market signals. However I propose these to supplement markets rather than replace them, as he persists in reading it, and I accept (with qualifications) the informational and motivational functions of markets (Martell 1992: 158-9). Saunders is justified in his doubts about the ability of individual consumers to know what other consumers want and to stand up to expert and organized producer interests. But my argument is for an associational democracy in which consumers are represented not by individuals but associations - organized, expert and informed (the British Consumers' Association, for example).

Saunders redefines my proposals for market research as being for a methodologically flawed 'socialism-by-questionnaire'. Yet it is market research in general I advocate not just questionnaires or interviews. Supplementing market signals with market research is not such an outlandish idea. Saunders would be hard pressed to find big companies in market economies who do not already do this.

The second area of misunderstanding is on the idea of a democratic and social system which combines localism and corporatism. Saunders is critical of my proposals for an 'associational democracy' comprised of a strong role for associations in civil society and their combination in co-operative democratic forums alongside representative structures at local, regional and national levels and above.

However these proposals do not include the misplaced faith Saunders attributes to me in the capacity of devolving powers to local government to

foster participation or in the inherent value of political participation. In fact I think his scepticism about the participatory promise of localism is well placed. I argue for the devolution of powers to organizations responsible for particular functions rather than just to local government (Martell 1992: 166) because people are more likely to muck in in the former where they may be more expert, informed and regularly involved. I also see more of a role above the very small-scale for associational participation than the mass individual participation he suggests I uncritically assume is good. In fact I argue that the latter is not viable in large-scale, complex industrial societies, in large forums or on matters which require specialized expertise and too often involves the domination of personality, passion and intimidation over reason and compromise (ibid: 164-5 and 166-7).

Saunders is criticizing the participatory passions of the 'new left' from his own past here rather than arguments I make. My uncritical proposal of 1980s British local socialism as a 'model' is also more in his head than on the pages of *Economy and Society*. I advocate a much more selective attitude to this phenomenon than he suggests and I make the criticisms of the participatory deficiencies and exclusivity of these authorities, about which I am said to suffer from a 'romantic delusion', in more detail than he does (ibid: 168).

I do not propose the exclusive corporatism he attributes to me, which favours the powerful and producers and the passing down of decisions from the top. I am well aware of the beer and sandwiches corporatism of 1970s Britain and could add the more extreme cases of Mussolini and Hitler to his list of corporatisms gone bad. I advocate a corporatism which is true to the spirit of the idea rather than the way it has been abused in historical practice. My proposals are for overcoming exclusivity by incorporating a broad range of interests in government, equalizing politically the influence of the weak and disorganized and groups like consumers alongside the powerful and producers and including interests in making policy rather than passing decisions down to them (ibid.: 166; see also Hirst 1990: 168-77). Saunders' suggestion that corporatism is not compatible with localized pluralism is directed at a centralized exclusive corporatism which I do not propose.

On the third area of misunderstanding, Saunders suggests that I am unaware of the mutualism of the market and advocate the state imposition of community. I do not argue that mutualism is not conceivable within a liberal order, as he suggests, but that it is 'not conceivable within an exclusively liberal . . . perspective' (Martell 1992: 153) - a point about theory rather than practice. On practice I agree that there is much co-operation and community in market economies. However much of this comes from non-market and non-capitalist structures and ideologies and precedes and underpins markets rather than being produced by them. Furthermore co-operation in markets is often contractual and instrumental rather than based on an ideological commitment to it. As such it cannot be expected to hold up where it does not serve instrumental ends unless, as Durkheim suggested, supplemented by deeper cohesive norms. These cannot be found in pure liberal theory unless,

like Mill, liberals propose the socialistic qualification that liberty be pursued subject to mutual regard for others, because of the latter's importance for making markets work, protecting liberal freedoms and social cohesion and as a value in itself.

Saunders persists in suggesting that I propose the top-down imposition of community by a socialist state. He supplies no quotations from my piece to justify such a characterization and there are none that could. In fact I am in favour of governments encouraging associational activity by consulting associations and giving them clout in decision-making processes rather than creating them (Martell: 168). This involves recognizing, encouraging and taking associationalism on board where it has been set up, not putting it in place. The well-meaning utopian top-down constructivism Saunders attributes to me is part of the caricatured socialism neo-liberals like to criticize. But it would be just another version of Eastern bloc state-sponsored trade unionism and, as he points out, it replicates precisely the statism I am trying to overcome. Let me move on now to more substantive areas of difference.

Actually existing socialism, means and ends

Saunders' critique starts with the argument that there are a plethora of instances in which socialism has been tried and failed. Socialists analyse these as if they imply nothing problematic about socialist goals but only about the techniques through which these goals were pursued. 'Luke Martell's recent paper', he argues, 'is the latest example of this line of reasoning.' These instances, Saunders proposes, *were* (contrary to what is claimed on the left) socialist and the evidence of terrible repression in each and every case shows that repression is inherent in socialist ends.

First of all let us look at some of the examples Saunders lists:

the Soviet show trials . . . the forced collectivisation of the peasantry, the invasion of Hungary [etc.] . . . the butchery of the Cultural Revolution, the killing fields of Kampuchea, the shootings at the Berlin Wall, the tanks in Tiananmen Square.

These examples move me as much as they move him. But what they demonstrate is the failure of various brands of maoism and marxism-leninism not of socialism as a whole.³ Pointing the finger at Lenin or Mao is not a contrived attempt to get socialism off the hook. It highlights a fact of history. These instances of horror and brutality, authoritarianism and fear and gross inefficiency and unresponsiveness were instances of maoist and marxist-leninist socialism and not of the western social democracy influenced by Keynes and Beveridge or of the pluralist co-operative socialism of G. D. H. Cole, John Stuart Mill and others, never yet subjected to the test of experience.⁴

Saunders does throw in with the 'killing fields of Kampuchea' reference to

'the final resort to the IMF in Britain in the 1970s'. Yet these were radically different attempts at pursuing socialist ends each encountering problems not reducible to the other. If socialist ends necessarily entail repressive means how come the varying historical evidence does *not*, despite what he says, show the same results from all attempts to further them? The neo-liberal argument that the slightest sniff of intervention or egalitarianism will lead down the road to serfdom is contradicted by abundant evidence of attempts to pursue socialist ends in the mixed economies and social democratic welfare states of Western Europe without repressive consequences. Historical evidence shows different socialisms with different conclusions and logic dictates that it is maoism and marxist-leninist ideas which lead to the sort of results he points to, not socialism *per se*.

Saunders' critique is not sensitive to radical variations in socialist practices and differing ideas of the ends and means of socialism (for which see Wright 1979). There is, in particular, a third brand of pluralist co-operative socialism which has been marginalized from twentieth-century history by the dominance of eastern bloc marxism-leninism and paternalistic western social democracy and in which it is difficult to see the sort of consequences Saunders' fears (see, for instance, Mill 1967). This has never been adequately tried and tested and is barely recognizable by comparison with marxism-leninism and maoism. In fact it has been formulated with a strong consciousness of the flaws of marxist socialism.

It is based on small-scale trial and error and a willingness to drop or continue with experiments on the basis of experience rather than on sudden total change or a confidence in its own infallibility. It proposes gradualism over change out of tune with human consciousness and decentralism over centralized direction. And it has a pluralist openness to the co-existence of non-socialist liberal ideas and forms such as private property, markets, competition and some degree of inequality (see Nove 1983) alongside socialist commitments to non-state social ownership, democratic co-ordination, co-operative mutualism and egalitarian redistribution. This form of socialism is radically different from the marxism-leninism Saunders attacks and it is difficult to believe it would result in the same sort of consequences if subjected to the test of experience. 5

Let me move on now to the specific socialist end Saunders focuses on as entailing repressive ends - equality.

Is equality repressive?

Saunders argues that any 'society-wide grand objective' will encounter resistance. This is likely to be particularly the case for radical egalitarianism where there will be unwilling losers from any share-out. The inevitable resistance that egalitarianism will encounter will require a repressive response if the objective is to be realized. Furthermore in the absence of economic

incentives people will have to be coerced into working hard and economic efficiency will decline.

The point about incentives first. A commitment to egalitarianism need not be to total equality or equality where it undermines too far other important objectives which do not favour equal outcomes - economic dynamism, justice, desert, need or entitlement for example. A commitment to equality does not mean a commitment to it against all else. Some degree of inequality has to be accepted for such economic and philosophical reasons and economic incentives and inequalities are necessary (alongside non-economic incentives like altruism and job satisfaction) to encourage hard work, product improvements and such like. There are some more general points about the equation of equality with repression.

Saunders is right that equality has to be pursued against the wishes of those who will lose out. However, there are two problems with Saunders' arguments on the repressive nature of equality. The first is that inequality and libertarianism also have potentially repressive implications. The second is that egalitarianism can still be pursued in a democratic and pluralist rather than repressive way.

On the first point let me deal with inequality and then libertarianism. A key problem with Saunders' claim about the link between equality and repression is its one-sided neglect of the repression of inequality. For a start inequality produces unwilling losers, just as egalitarianism does, and so is also potentially repressive if it is to be pursued against their wishes. Furthermore egalitarianism is a response to a set-up in which asymmetrical access to resources is a major source of access to, or exclusion from, power. Unequal power relations are maintained by the unequal distribution of economic wealth (even the classic pluralists have come around to this reality - see Dahl 1985 and Lindblom 1977). In typically libertarian fashion Saunders equates repression with the state and is unwilling to consider economic structures as tied up with repressive power relations.

Saunders also argues that equality, which I propose as a socialist value, will undermine rather than foster community. This is because it will antagonize losers and foster envy and greed. Yet it is difficult to see how it could do this any more than inequality which also produces antagonized and envious losers and greed for the riches to be had by the winners.

Moving on to libertarianism Saunders does not consider that his doctrine also amounts to a 'society-wide grand objective' and so also, in the terms he lays out, is susceptible to a lapse into repressive means. Neo-liberalism itself, despite its affectations to the contrary, has a 'society-wide grand objective' and so is susceptible to repressive means in precisely the way Saunders suggests. I do not believe the fact that Mrs Thatcher's rolling back of the state from the economy in Britain in the 1980s coincided with the building up of state powers in the political and social spheres (see Gamble 1988) was a contradiction or coincidence or an inconsistency on her part. In fact radical pursuit of *laissez-faire* in the economy made it likely that powers would have to be

removed from potential sources of opposition such as local government and the unions while state powers on law and order and security built up to deal with the possible social dislocation resulting from such a strategy. If ends do determine means then Saunders' hypothesis is applicable to his own preferred libertarianism as well as socialism.

Libertarianism does not have a monopoly on being liberal (see Kymlicka's 1990 discussion of libertarianism and liberalism as separate phenomena). When disregarding of economic threats to freedom and not restrained by a commitment to ends other than individuals' liberty to do what they want, libertarians are bad liberals and many of neo-liberalism's biggest problems come from its inadequacy to liberal as much as socialist goals. Socialism when aware of egalitarian and interventionist as well as liberal conditions for protecting individual liberty is better at being liberal.

Repression may be potential in egalitarianism. However, this cannot be a reason for rejecting it if the same holds for the alternatives. If anything it gives cause for pursuing egalitarian ends through more consensual and democratic means. This leads to the second problem of Saunders' view of equality as repressive. The repressive implications of inequality and libertarianism aside, Saunders' original claim that egalitarianism itself is necessarily repressive is problematic in two ways.

First, it is perfectly possible to pursue socialist ends like equality through liberal, democratic and consensual means which restrain its potential to become repressive, something which my paper to which Saunders responds was trying to explore. A commitment to liberal and democratic institutions may restrict fully-blown radical egalitarianism where it clashes with liberal safeguards or popular opposition but also ensures that it is pursued hand-in-hand with an equal commitment to liberal concerns and restraints.

Saunders' commitment to linking means and ends goes to an overambitious attempt to read off from socialist ends necessarily repressive means. But it does not extend to a reverse awareness of the constitution of ends by the means through which they are achieved. He goes all-out on ends determining means but avoids the commonplace that means can determine ends.

There is a second problem with Saunders' attempt to reduce equality to repressive ends. Not only can equality be pursued through democratic *institutions* but also as one objective tempered by a commitment to other *norms* (such as liberty and economic dynamism) rather than as an uninhibited objective primary to all others. The problem with Saunders' approach is that he proposes switching from one-sided exclusive attachment (equality) to another (liberty) and continues to peddle a single society-wide objective of the sort he fears rather than a more eclectic and mixed attachment to a number of mutually restraining objectives in balance. It is the pursuit of one objective against others rather than the commitment to equality in particular which is potentially authoritarian. Saunders is unable to conceptualize a more open-minded commitment to a variety of values which can counteract and limit one another. This latter approach is more in accordance with the

pluralist socialism I espouse and is compatible with a pursuit of equality tempered by liberal concerns and opposed to Saunders' narrow and exclusive libertarianism.

Egalitarianism certainly has the potential for leading to repressive means. But it would be wrong, in summary, to say that the alternatives are not potentially repressive or that equality is necessarily tied to repressive means.

The Rule of Law and equal treatment

Saunders argues that egalitarianism flouts the 'Rule of Law' and goes on to prefer a negative over a positive concept of liberty. Central to these two points is his focus on state coercion as the main threat to freedom. In my view this distracts attention from economic threats to freedom and limits freedom to a rather diminished objective in which the actual expression of liberty is not important. I will look at the Rule of Law first and then at negative and positive liberty.

Saunders argues that egalitarianism is repressive because it flouts the 'Rule of Law' which demands that the state should treat all individuals equally and not discriminate in favour of some against others as in economic redistribution or positive discrimination.

The key problem here is that the 'Rule of Law' itself does not always secure equal treatment. In fact it can hinder this objective because it rules out the state intervening to, say, correct the unequal treatment of women or ethnic minorities in the economy or society through measures like positive discrimination.

Saunders' undiluted libertarianism leads him to focus all his concern about unequal treatment on the state and principles which rule this out. This blinkers him from glaring inequities of treatment in the economy and social life and does not allow positive political strategies to remedy these. What is the point of enforcing equal treatment before the law if it protects the unequal treatment of women and ethnic minorities by employers or landlords/ladies and blocks action to correct it? Saunders' narrow focus on the state prevents him from contemplating unequal treatment from other sources and ways in which positive strategies by the state can be a force *for* the prevention of unequal treatment and the shackling of the state a recipe for its perpetuation.

Unequal treatment by the state should certainly be guarded against in all cases unless they can be shown to be conducive to the prevention of greater inequities of treatment elsewhere. This disallows the 'Rule of Law' as a principle applied inflexibly, although not as a principle which demands the burden of proof from those who wish to go against it in particular cases.

In addition there can be further defences against the preferential and discriminatory use of state powers - legal and constitutional safeguards, the separation and devolution of state powers and a vibrant pluralist civil society

with countervailing centres of power to the state and a strong role for independent associations.

Saunders believes that '[e]galitarianism. . . entails a deliberate disregard of the most basic defence which individuals have against the exercise of arbitrary power by government'. The same, though, could be said of what the Rule of Law does to state and redistributive strategies to protect individuals from the unaccountable power of private capital. Saunders retreats from one extreme - equality - to another - an inflexible attitude on the Rule of Law when what is needed are pragmatic and many-sided strategies in the middle ground which do not focus all their attention on one ideologically-defined opponent - either the state or capital - but on a mixed approach which can protect and empower individuals in the face of both.⁶

Freedom from, freedom to

I will move on now to positive and negative liberty. Saunders argues that my definition of freedom as more than freedom from coercion but also capacity to act confuses freedom with ability. In his view I am not less free if I do not have the ability to be a professional footballer and freedom is not increased if money is taken from a rich person and given to a pauper so, from my view, giving them the resources to pursue a course of action they were not able to pursue before.

Neo-liberals define liberty in three ways - (1) as an absolute norm; (2) negatively; and (3) as intelligible only with reference to deliberate coercion. On the first, individual liberty is invoked not just as one principle for the organization of human societies but *the* principle. Second, liberty involves the absence of coercion and is defined as such negatively - as 'freedom from' rather than 'freedom to'. It is only transgressed if someone's ability to pursue a certain course of action is inhibited by the coercion of another, but not if they simply lack the resources or capacity to do so. Thus the interference of the state involves a transgression of liberty. But someone's poverty or innate lack of ability does not. Someone is still free to pursue an action if no-one prevents them from doing so even if they do not have the wherewithal to do it.

The third characteristic of note in the neo-liberal concept of individual liberty is that it also demands that the coercion be *intentional*. Therefore the state deliberately imposing its will upon someone is a restriction of their freedom, whereas the action of the market imposing a certain set of circumstances which shape someone's capacities for action, because it is unintended, is not. Neo-liberals do not object to the generality of the Rule of Law or the market which do not advance one particular intention or idea of the good but provide a general basis for individual freedom.

What neo-liberals are particularly concerned about is the state. Through insisting on the intentionality of coercion and the negativity of freedom neo-liberals are able to concentrate their fire on the state rather than other factors such as market forces or inequality which might otherwise be

interpreted as coercive or harmful to freedom. A negative concept of liberty excludes inequality as a factor contributing to the loss of liberty because, while inequality may deprive people of the capacity to express their purposes, it does not amount to an external coercion on them. Similarly the necessity for there to be intention in an infringement of liberty frees the market, in which outcomes are not consciously planned, from blame for undermining liberty.

But a focus on state coercion gives a limited view of the range of threats to individual liberty and the three aspects of the neo-liberal concept of freedom I have outlined are flawed.

Let me start with the primacy given to individual liberty. Making individual liberty the primary defining characteristic of an alternative doctrine is an excessive reaction to the worst cases of collectivism and egalitarianism. It exchanges one extreme for another.

There are many other objectives worthy of pursuit in the complex modern world and sometimes the pursuit of these will clash with the primacy given to individual liberty. The logic of the neo-liberal case is that individual liberty has to come first yet this would often lead to serious negative consequences for individuals. Is the freedom of the individual to pollute the atmosphere and damage the health of others through smoking in public places or driving to work in a private car where there are less environmentally damaging alternatives to be upheld? Neo-liberals might pragmatically acknowledge 'no' but they would be going against the absolute primacy of individual liberty and acknowledging the case for a good above individual preferences if they did.

Neo-liberals give individual liberty such primacy that the path is freed for it to be pursued to its ultimate consequences uninhibited by the restraints which a less extreme and ideological and more mixed commitment to a balance of principles might place on this. Free marketeers replace one dogma for another when what is needed is a commitment to liberty but one moderated by its contextualization in the light of other objectives like equality and mutualism.

Another problem is that the idea of freedom is deprived of much of its power if, as Saunders proposes, it is restricted to freedom from coercion and not extended to cover also capacity for the actual expression of freedom. This restriction means that people are free even if they cannot act as they wish for lack of the necessary resources to do so.

One immediate problem is that the distinction libertarians make between freedom from and freedom to is a red herring because they always go together. In their own case, for instance, they are not only concerned about someone's (negative) freedom from coercion. They are concerned about the person's (positive) freedom from coercion to do whatever s/he wants to do (see MacCallum 1967). Socialists, on the other hand, are not only concerned with the freedom to do things but also with the freedom from constraints which prevent them from doing so. But let us assume freedom from is what freedom is all about and focus on the limitation of the concept to this aspect.

There are two ways of responding to this limit. The first is to question the neo-liberals' idea of freedom and say that it does not capture what freedom is

really about. The second is to accept it in which case you are drawn to having to acknowledge what an enfeebled and unambitious concept freedom has become when individuals can become free even when removing coercive restrictions does not allow them to pursue the courses of action they were unable to beforehand.

On the first response surely freedom *is* about liberty to pursue certain courses of action and not just freedom from constraint and it is silly to confine it to the latter when it may not further the former. If the coercion of the state is removed but I am still hindered from achieving good health, a long life, educational achievement, better housing and affluence because there are *other* obstacles still in the way (e.g. inequality and lack of resources) then I still lack freedom. Neo-liberalism in these cases turns the patently fettered into the free.

If we take the second response and accept Saunders' negative definition of freedom then the idea loses a lot of its power. The power of the idea of liberation lies not only in the notion of removing external coercion but also in the positive chances for action which were previously prevented and such a removal allows. If we are to limit liberty to its negative meaning and separate it from capacity it becomes an impoverished idea in which the lifting of external constraints is a cause for celebration regardless of the subsequent ability of people to act on such freedom.

Negative liberty is a worthy objective but if it cannot be translated into positive freedom to act it remains a half-way house. Freedom from coercion is valueless without the freedom to express it.

A third problem with the neo-liberal idea of individual liberty is the intentionality it stipulates a restraint on freedom must have before it becomes de-legitimized as coercion. Freedom is not lost just through coercion but as a result of *deliberate* coercion imposed by human will. One effect of this is to preserve existing property relations and distributions of wealth against redistribution. Restrictions which the market may put on freedom become legitimate because they are not deliberately engineered by some particular human will, but the impositions of the state are made illegitimate because they are.

This makes the idea of liberty a nonsense because a person is just as unfree to pursue a path of action because of the lack of resources they have been left with as a result of their position on the market as they are because the state has deliberately deprived them of the right to do so. One coercion may be more acceptable than another. This is a separate point to be argued over on separate grounds. But, for good or ill, freedom is lost either way regardless of whether it is intentionally or unintentionally taken away. In addition the idea of the market as not involving intentional will looks very thin when you take into account the role of big corporate actors that under-regulated liberal economies allow to develop.

In fact intentional state action may be a force for liberty while economic inequality and property relations may often limit it. Property ownership can be

a source of coercion over, say, employees or tenants. Economic as well as state power can diminish freedom and the commitment of neo-liberals to existing property relations can contradict and compromise their commitment to the greater goal of liberty. The rolling back of state power can exacerbate rather than limit coercion where it prevents the state from attacking disproportionate holdings of economic power in the pursuit of freedom. Neo-liberals tend to present the restriction of state power as in each and every case a victory for freedom. But an interventionist state can in some of its roles – redistribution and welfare provision, for instance – be a force for breaking down blocks to liberty such as economic power or lack of resources. I do not wish to make a general case for the extension of central state powers but there is a case for a democratic and liberally restrained but strong state charged with protecting liberty, if necessary through redistribution.

Rescuing the middle ground

Saunders is an exclusive ideologist who sees any compromise with socialism as undermining liberal principles. However, I think socialist institutions such as equality and state intervention can be conducive to individual liberty as well as, in some cases, a threat to it. Liberalism needs socialist ideas and structures to prevent it sliding into unfettered individualism, social polarization and ultimately the undermining of liberty itself. Yet socialism also needs liberalism to guard against state repression and the collectivist stifling of pluralism and individual freedom. Saunders is committed to one polar opposite over another and refuses to mix principles in the middle ground like this.

However it is not possible to synthesize the counterposed options of liberalism and socialism. There are essential and irresolvable tensions between them. Most moves towards collectivism or equality involve restrictions on pluralism and liberty (although not necessarily or always to excess) and vice versa. The task must be to *manage* the relationship between socialism and liberalism, to find not a *resolution* but a *compromise* between the two.

Neither is it possible to transcend or go 'beyond' liberalism and socialism by invoking an entirely new paradigm (as some green thinkers attempt to) because the old dichotomies are between essential and enduring principles of social and political organization which cannot be overcome. Like McLennan (1989) I cannot envisage any social and political theory that could avoid tackling problems of equality, liberty, social responsibility and so forth. As Bowles and Gintis put it,

[the] 'plague on both your houses' stance towards liberal and marxian social theory is misplaced. Only at its peril can a democratic politics ignore the classic philosophical debates. . . . It may be that the two great classical

political and economic traditions are part of the problem; but they are surely part of the solution as well.

(Bowles and Gintis 1986: 13-14)

There is another alternative - compromise. I am not against third ways, only sceptical about those that attempt to conflate or break with all the old dilemmas. I agree with Bowles and Gintis (1986), McLennan (1989) and Held (1987) that the only viable 'third way' is one that learns to live within the tension of the existing dilemmas between socialism and liberalism, finding methods of achieving an ongoing balance between sometimes contradictory principles.

I hope I have given convincing arguments for mixing principles like equality and intervention with liberty and markets in the middle ground rather than seeing the failure of state socialism as a reason to switch from one polar opposite to the other as Saunders does.

I once asked Peter Saunders what had persuaded him of the neo-liberal case. He told me that he went on holiday and took Hayek's *Constitution of Liberty* with him. When he got back he was convinced. Perhaps if he had taken Mill's *On Liberty* on that holiday instead I would be answering a critique that was less polarized, more complex and more difficult to deny.

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Notes

1 I am very grateful to Mary Farmer, Paul Hopper, John O'Neill, Mark Peacock, and Andrew Sayer for taking the time to read and give me much appreciated encouragement and useful advice on this paper. See also *Socialism and Associational Democracy: new forms of democratic and socialist thinking* at - <http://www.sussex.ac.uk/Users/ssfa2/thesis.html>

2 The ideological one-sidedness of Saunders' political polemic is at odds with his recent sociological work, one of the main strengths of which is its open-mindedness and complexity. See Saunders and Harris (1990) for example.

3 Not to mention the appallingly adverse circumstances in which socialism was attempted in many of these cases (war, counter-revolution, external threats, economic backwardness, grim poverty and political cultures of centralized authoritarianism in cases such as Tsarist Russia) which only added to the inhumane form it took. Similarly the peculiarities of certain nations' pasts were often as much a conditioning factor on what occurred as was socialist ideology.

4 This is not to mention non-leninist and non-maoist alternatives within marxism which I will not be dealing with here.

S Saunders also argues that socialists avoid the historical fact of the failure of socialism by falsely arguing that the societies mentioned were not really socialist. My paper is said to be the 'latest example of this line of reasoning'. However I do not express this view in my piece. In fact I agree that these regimes *were* socialist on the widely held definition of socialism as collective ownership of the means of production. Like Saunders I despair at those who try to avoid rethinking their own assumptions by suggesting these regimes were a deviation from socialism.

One response to the recognition of the socialist nature of these regimes is to say that they did practice a brand of socialism but that the undeniable failure of that brand

cannot be automatically hoisted on to all other forms of socialism. Another compatible response is to recognize their socialist nature and say that socialists of other hues need to look at what their failure says about the organization and, yes, the ends of socialism and be willing to change their minds where flawed elements in state socialism are reproduced in their own beliefs. I believe that pluralist co-operative socialism provides a plausible response of this second sort and so cannot be tarred with the brush of marxism-leninism in the terms of the first response.

Saunders gives a sound case for the argument that marxism-leninism bears a responsibility for what was done in its name. But to imply I argue the state socialist regimes were not socialist connects with nothing I say. And to say that the collapse of marxism-leninism sounds the death-knell of all other forms of socialism involves a jump which defies all credibility. One of the strengths of neo-liberalism is the incisiveness of its critique of soviet-style central planning. One of its weaknesses is its tendency to generalize this critique to a broader range of cases than it is applicable to. 6 One more point of detail on the Rule of Law. You *cannot* equate unequal treatment by Nazis and the apartheid state with socialist redistribution or positive discrimination in favour of women or ethnic minorities as Saunders does in order to rule out the latter. There is a glaring, major and significant difference between these different instances. Nazi and apartheid discrimination were pursued to create inequality and foster discrimination (to put it mildly). Redistribution and positive discrimination are pursued in order to negate it. Saunders goes for blanket simplicities when more pragmatism and, dare I say it, discrimination would cast greater light.

7 One of the consequences of accepting Saunders' negative definition would be to celebrate the liberation of a country from imperialist political rule even if economic dependency and grinding poverty meant that the individual citizens of that country were no more able to pursue paths of action than they were before.

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