

Business

Democratic Socialism

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Democratic presidential primary candidate, Bernie Sanders, wants America to adopt the political and economic ideology of democratic socialism. A number of people in America have become supporters of Sanders and democratic sociology, while others have passionately argued that socialism or democratic socialism is not the answer. This paper will examine democratic socialism by defining America's current ideological system (capitalism), democracy, socialism and Bernie Sanders' political platform and ideology.

Capitalism

Capitalism, also known as Free Market economy, has been the economic ideological system of America since Adam Smith introduced it in the late 1700s. There are arguments that America is no longer a completely capitalistic country, as it has adopted some socialistic policies in the past one hundred years. However, the country's economy is still identified as mostly a free market. Capitalism is an economic system that is based on the principles of private ownership and self-interest. Business in capitalism thrives on private decision making, innovation, investment and competition in a free market

Adam Smith, a Scottish philosopher, is well known as the founder of capitalism. He introduced the theory of capitalism in his book, *Inquiry into the Nature and Causes of the Wealth of Nations*, which was published in 1776. According to Joseph Nolan (1995), "In his book, Adam Smith emphasized four main topics: the self-regulating market; specialization and the division of labor; the limited role of government in the economy; and the advantages of free trade."

Self-interest is possibly the greatest principle of capitalism and America's economy, as it has led to the innovation of many products and services. Nolan (1995) agrees saying "Smith's great insight was that private self-interest could be a public virtue". In this principle of self-interest, Adam Smith coined the term "the invisible hand". "By exercising the freedom to pursue what you think is

best for you and your family, you are (quite unintentionally) benefitting society. This is true for consumers as well as firms" (BB&T Program on Capitalism, n.d.). Firms are constantly seeking new ways to meet the needs and wants of the public, while also competing against other firms for consumers.

Adam Smith believed that the government should not be involved in the activities of business and the market, as it is not a part of its duties. The pricing system would be set through the resources of firms, competition and the willingness of consumers to pay. The other key principle Smith wrote about is the specialization and division of labor. Smith believed this principle would add to the efficiency of the free market economy. Nolan explains,

Specialization and division of labor increase productivity, according to Smith, because they allow for the development and refinement of skills, eliminate the time-wasting entailed in going from one job to another, and simplify tasks so as to permit the introduction of labor-saving machines (1995).

Democracy

In order to define the ideology of democratic socialism, democracy must be defined. Democracy is understood as the power of the people. The American government is a democracy; citizens have the right to vote and elect public officials based on their own opinions and beliefs. Government officials' main responsibility are to represent the American people by considering the public's best interest when making decisions in their office. According to the U.S. Department of State,

Democratically governed nations are more likely to secure the peace, deter aggression, expand open markets, promote economic development, protect American citizens, combat international terrorism and crime, uphold human and worker rights, avoid humanitarian crises and refugee flows, improve the global environment, and protect human health (Democracy, n.d.).

Socialism

Socialism is hard to clearly define because proponents of socialism have never been able to settle on a fixed vision. According to S. J. Azira (2015), "socialism refers to an economic system or political organization in which the means of production and distribution are owned or controlled collectively, often by a centralized government". This is quite the opposite of capitalism where the means of production and distribution are owned and controlled privately. The hope of socialism was to create a society without class inequality and social injustice.

Also known as progressivism, socialism is an economic system based on the principle of egalitarianism, a social philosophy advocating the removal of inequalities among people. Because socialism focuses on the removal of the peoples' burdens, there is no private ownership of businesses and property. In socialism everyone lives in the working class, earns equal wages and is motivated to work for the common good. All wages are heavily taxed in order for the government to provide free education and healthcare for all.

The theory of socialism was developed through the ideas of several philosophers from the 18th and 19th century. The main idea of socialism was to create more democracy for the citizens of European countries who lived under aristocratic and monarchical rule. These types of government systems diminished the political democracy of the common people as they were constrained in the forming of unions and in voting rights. Richard Swift (2014) writes, "The goal of a socialist republic was, for movements of the Left, just the logical conclusion of the democratic dream" (p. 40).

Socialism does not focus solely on economic issues; the ideology focuses on social issues as well. As mentioned above, early socialist philosophers strived for equality among all. They believed all men and women should have the right to vote. While the ideology of socialism has evolved through the years, social issues have evolved with it. Leftists and socialists have fought and continue to fight for equality for women in the workplace, civil rights and race equality, and a healthy environment.

Democratic Socialism

Democratic socialism is one of the many versions of socialism that exist today. It has been regarded as "socialism from below" by influential socialists, because it is demanded and implemented by the grassroots (Scaliger, 2015). According to Charles Scaliger (2015), democratic socialism "... distinguishes a democratic political system alongside a socialist economic system, from more authoritarian and even totalitarian forms of socialism such as Marxism, Stalinism, Maoism, and communism generally" (p. 10).

Democratic socialism is socialism through the ballot box. It features the economic and social principles of socialism like gender and race equality, environmental care, egalitarianism, common ownership, free healthcare and education, and a society controlled by the working class. Democratic socialists believe companies' production of goods and services should be centered on human needs. Unlike an authoritarian or totalitarian government, democratic socialists believe businesses should have social ownership. Enterprises would

be publicly owned and/or worker owned, and all business decisions would be made democratically through workers and consumers who would be affected by the possible outcomes. The private sector would still exist under this economic system, however, the government would implement policies that would restrain decisions like the outsourcing of manufacturing.

This socialist ideology also features the democratic political system in the United States today, in that every citizen has the right to vote for representative government officials. However, this democratic system would be different compared to the current capitalist, democratic political system in the United States. According to Bernie Sanders, the goal of democratic socialism is to create “a government that works for working families, rather than the kind of government we have today, which is largely owned and controlled by wealthy individuals and large corporations” (Scaliger, 2015, p. 10).

Democratic socialism differs from other popular forms of socialism in the way in which it is implemented in countries and government systems. Communism and other forms of authoritarian socialism focus on the revolutionary, violent overthrows of government. In the systems, the state takes direct control over private sector businesses and immediately begins its work in the production and distribution of means. According to Scaliger (2015),

Democratic socialism, meanwhile, has been known by many names (including, in the United States, “progressivism”), but may be characterized in general as an effort to institute an egalitarian socialist order by “working within the system,” using a gradualist (or “Fabian”), long-term strategy to persuade democratically elected governments to legalize socialist programs such as government-controlled healthcare and school systems (p. 11).

Bernie Sanders’ Platform

To provide examples of democratic socialist policies, it is important to review Bernie Sanders’ political platform and agenda. Today, the United States faces several economic and social problems. Wealth and income inequality, a high national unemployment rate, labor outsourcing, unequal pay for women, failing infrastructure, the high cost of higher education and healthcare, and climate change are a number of the problems the country is experiencing. Bernie Sanders, along with other socialists and left-winged economists, believe America’s capitalist system is the cause of these problems. Sanders believes the solutions to these problems lie within his political agenda based on the principles of democratic socialism.

In 2014, Bernie Sanders addressed Congress about America's current economic issues. He proposed his agenda for America called 12 Steps Forward, in which he explained his ideas for the U.S. He addressed the problems with America, both socially and economically, and proposed his solutions.

In his address, Sanders proposed cutting military and defense spending while investing one trillion dollars into rebuilding roads, bridges, wastewater plants, schools, airports and other infrastructure. In order to reduce climate change, Sanders wants the country to eliminate fossil fuels and invest in clean, efficient sources of energy, like solar and wind power. Bernie believes the government should implement trade policies on businesses to prevent or reduce companies' ability to outsource manufacturing jobs to other countries. A positive outlook on investing in infrastructure, efficient sources of energy, and implementing new trade policies is that these have the potential to create millions of jobs for Americans (Sanders, 2014).

Like all countries that abide by democratic socialist principles, Sanders views higher education and healthcare as a right, not a privilege. This means that all higher education and healthcare would be provided free for all citizens and would be paid for through high taxation rates. These high taxation rates would also help decrease income inequality between economic classes. The tax money collected would be redistributed to welfare programs for lower and working class families. Tax rates would vary and be based on the ability to pay. For example, those with the most wealth would pay the highest tax rate. Another tactic supported by Sanders to decrease the income gap is to raise the minimum wage rate significantly.

Conclusion

Capitalism's principles of self-interest and free market competition are responsible for the United States' current economy. The "invisible hand" has led to innovation in technology, and products and services. Capitalism is also responsible for the dramatic income inequality between the country's economic classes. Many people in America find the economic system unfair because working and lower income families struggle to make ends meet, while the upper income individuals own an excessive amount of wealth. Those frustrated with this inequality are turning to socialist ideologies like democratic socialism for the solution. The opposite of capitalism, democratic socialism is based on the principle of common interest and ownership. This economic ideology rids countries of different economic classes and puts everyone into the working class. Most of the wealth would be owned by the government, since taxation rates would be much higher compared to rates in America today. The tax money collected would be used to provide free healthcare, free education and other social programs like social security.

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