

THE SOCIAL LIMITS OF BOURGEOIS DEMOCRACY

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Fred Hirsch, *Social Limits to Growth*, Cambridge, Massachusetts: Harvard University Press, 1976. A Twentieth Century Fund Study.

Rufus E. Miles Jr., *Awakening from the American Dream: The Social and Political Limits to Growth*, New York: Universe Books, 1976.

Capitalism is in a crisis once again. The seventies have not been bright times for most of the industrialized nations of the West. But a dismal subject need not always be treated by a dismal science. As economies fluctuate, so too, it seems, do economists. The more prescient among them have been obliged to re-examine their theoretical baggage: "the experience of living in a civilization that suddenly loses momentum and begins to veer off course"¹ has required the questioning of a number of postulates that have previously been crucial in both bourgeois theory and practice: a commitment to continual economic expansion; faith in the unending achievements of technological progress; a view of man as a being with insatiable wants and needs who is an infinite consumer of utilities; a conviction that the injurious effects of movements in the business cycle — especially unemployment — can be ameliorated by governments applying Keynesian principles; a sense that somehow capitalism and democracy go together in as palatable a mix as, say, Scotch and water. All of these hitherto *trustworthy* givens and more are now under closer scrutiny.

The central figure in much of this on-going re-appraisal has been John Maynard Keynes, and when Keynes is being considered, so too is the spectre of Marx. For Keynes in many quarters has been bought and sold as the saviour of capitalism, the twentieth century's progressive, liberal answer to, and way around, socialism.² If Keynes were wrong, if his theories won't work, then maybe, just maybe, Marx was right. For both Rufus Myles Jr. and Fred Hirsch it is time to say goodbye to Keynes; neither is quite prepared to say hello to Marx, though Hirsch, much like Robert Heilbroner, comes close to doing so.

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A rejection of the capitalist centre does not of course necessarily mean a move to the left. Some bourgeois economists have never been very pleased with Keynes' incursion into the sanctity of the marketplace. Neo-classicists and monetarists of the Milton Friedman and Friedrich Von Hayek variety have always spurned Keynes. There is also growing evidence that a resurgence of interest and influence in the back to basics (*i.e.*, *laissez faire* principles of Smith and Marshall) branch of liberalism is taking place (in the U.S. these right-wing liberals have been given the misnomer of neo-conservative).³ The move to the right of Keynes is representative of the fetish for modelling, a preference for theory over practice. Here the view is "the theory's fine, (not Keynes', mind, but *laissez faire*), it's reality that's at fault." Now there's nothing wrong in principle with holding that present realities are not fixed, that things change, and that they might even be changed for the better, in *accordance* with theory. However, what the model-builders on the right envision is a capitalist utopia. There's very little that is particularly new, insightful, interesting, progressive or realistic about this school of economics — save, on the *realistic* side, their political clout, which reflects the power of business interests rather than the rationality of social analysis.⁴ The same cannot be said for the two books under review.

Hirsch and Myles have issued thoughtful and provocative studies of the current impasse: high inflation running alongside high unemployment, a severe interruption in the sustained growth profiles of bourgeois economics. They both focus attention on what they regard as hitherto unexplored or misapprehended constraints on the expansionary capacity of capitalism. Their analyses of the societal nature of the limits to growth and the implications they derive therefrom display the strengths and weaknesses of sensitive liberal theory wrestling with itself and the society it allegedly discloses, but in which it is more often enclosed.

Myles' *realpolitik* approach has much in common with "ecodoomsters" like Barry Commoner, the Meadows, Jay Forrester, and the Ehrlichs. Although the book is ostensibly about social and political factors it draws heavily on an updated fatalistic, and almost mechanical, rendering of Malthus. Roughly a fifth of the book is concerned with the problems of population increase relative to energy use and food supply. Bleak prospects are envisioned as a result of procreation figures in the underdeveloped, agrarian, world. In considering the possibilities of a widespread redistribution of people, food and energy resources — here what is at issue is the question of world resources as public rather than private property — Myles curiously opts for a cavalier dismissal of such a reorientation: "it would not benefit the human race"; the Third World is caught in a "Malthusian trap" (Myles, pp. 152, 155). He castigates Marxists and "Western liberal idealists" for believing that science and technology might be redirected in ways that overcome poverty and

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scarcity. Myles' position is curious in this regard, not because of his tough-minded Malthusianism — if he consistently maintained his “political realism” his comments here would not be curious they'd just be tough to take, and wrong.⁵ They are curious because towards the end of his book he abruptly changes ground to advance the cause of a new ethics of ecology, a concern for the spiritual over the material, and a brief on behalf of a conserver society propped up by “a proposed change in values”. The underlying message that population control is an international problem while food and energy production remain national or private matters thus has to hollow ring to it. The problem here stems from what the major failings in Myles' analysis are.

On the one hand he has isolated one important aspect of modern capitalism, namely the generation of high energy technology, and abstracted that aspect without delving into the roots of the problem, *i.e.* the dynamics of capitalism *per se*. What we get in the end is another version of humanized capitalism through a sort of reconstructed conservative pluralism. Marketplace essentials and bourgeois rights will be left intact but the economy generally will be moved to a lower priority in a social matrix infused with ecology consciousness. There is a good deal of space devoted to the problems that have been created by a proliferation of rights without corresponding responsibilities, but little attention is given to the development of democracy.

On the other hand Myles is so concerned with reaching an American audience and dealing with American problems that he is unable to seriously entertain possibilities outside the liberal tradition, *and* he seems incapable of dealing with the implications of American business policy outside American borders. On the few occasions he mentions multinational corporations he refers to their deleterious influence on employment possibilities and community life in the U.S. The American psyche, he holds, is too accustomed to “individual initiative and freedom of choice . . . coupled with hard work”, and having come a “long way along [the] road [to] an ever more comfortable and rewarding life”, (and this in a book whose message for the most part is that American society is in danger of disintegration, terrorism and increasing alienation), Americans are not about to consider a socialist alternative. The book concludes on an unabashedly chauvinist note: “Once they have sorted out their values, Americans can be extraordinarily imaginative and resourceful and less inhibited than the people of any other nation in bringing their convictions to bear on both personal life-styles and public policy.” In passing, the reader may be amused to learn that, according to Myles, Canada is “in the process, just as the United States is, of seeking to reduce its interdependence.” (p. 190).

There are serious drawbacks in Myles' understanding of the material conditions of bourgeois democracies, and severe problems with his tendency to treat the dilemmas of underdeveloped countries mainly in terms of

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procreation. His exploration of the limits to the political management of nature and the difficulties of establishing greater, more equitable political interdependence in the world is more plausibly grounded and consistently argued. For this, after all, is the territory of the conservative, and Myles' main appeal is for prudence, common-sense, and moderation in planning and living the future:

Insofar as man has concern for the long-run preservation and further development of the human species, logic would seem to lead to the conclusion that evolution be best enhanced by the encouragement of diverse ecologies and cultures aware of and tolerant of each other's individuality and experimentation, but not so interdependent that if one fails in its adaptive process, all others succumb with it. (p. 207)

In his emphasis on a new ethics of ecology Myles is especially concerned with the nuclear energy option. Although he overdoes the use of pejorative catch-phrases — “plutonium minefield”, “nuclear trap”, “quagmire of nuclear energy” — his reminder of the dangers of nuclear reactors is useful. Even here he unfortunately does not focus attention on the weaknesses inherent in the management of “fail-safe” systems; to do so would have been consistent with the conservative thrust of his thesis that humanly designed systems have upper limits of complexity which, when reached, result in breakdown. Instead he emphasizes the dangers of plutonium theft and nuclear terrorism. Myles doesn't want his fellow Americans moving from a dream to a nightmare. For all that, his awakening still has the promise of apple pie.

To turn from Myles to Hirsch is to move from interestingly idiosyncratic, and inconsistent popularization to profound economic philosophy. Hirsch deals with some of the central contradictions in the evolution of bourgeois society. In the course of doing so he attempts to lay the foundations for a reconstructed economic liberalism. The direction his reconstruction would take points to an increased democratic participation in decisions, a new delineation of private and public spheres with a more collective orientation in bourgeois norms, and a re-orientation in expectations (a scaling downwards) at the mass level in conjunction with a more modest appraisal of the promise of capitalism.

Bourgeois democracy has fostered a number of sharply conflicting characteristics, three of which Hirsch emphasizes: its economic drive rests on a calculative, asocial, individualistic and possessive set of incentives which are

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taken to be the well-spring of human motivation; its political legitimacy rests on an ethic of universal participation, not just in the narrow sense of representative government and the franchise, but in the broader sense of a wide-scale sharing of society's fruit as well as its labour; its economic performance results in a highly skewed income distribution which reflects a system in which the levees of power as well as the heights of consumption are enjoyed and open to a select minority. The rush for the spoils as well as for roles is costly and frustrating. Moreover, it is morally damaging, not just to the individual, but to society at large. Capitalism has appropriated democracy without embedding the democratic ethic in its constitution. It is an economy without a soul, giving rise to a society without a base of social morality. The old defense that the ethic is tied to the result, a kind of materialist utilitarianism — everybody in the end is better off — will no longer suffice. The trickle-down, or snowball effect (as the pie grows there will be more pie for everyone), is no longer applicable for three different reasons. First, there is increasing evidence that the pie may not be continually growing larger; or put a slightly different way, although the pie might be getting bigger, portions are also costing a lot more, so there's not really much more to go around. Hirsch says little about this; he concentrates on the next two. Second, the satisfaction that is derived by individuals at the end of the line is not equivalent to the satisfaction they expected to get when they started out. Saving up to buy a car to get out of town to enjoy a designated "fun park" is one thing (consistent with bourgeois expectations), taking eight hours to get there in stop and go traffic to find that the park is congested and polluted is another. Third, the exhortation to play the game fairly, respect the rights of other players, accept the outcome, falls on deaf ears alongside the more vocal and visible evidence that the best way to win may be to cheat, or at the very least spurn social cooperation, and, failing that alternative, not play the game at all. The satisfaction of private wants through the maximization of individual interests in the market process does not add up to satisfaction of wants for collective goods. In addition, the social norms governing the one arena are not compatible with the norms applicable in the other. What is individually rational and what is socially rational are at odds. Thus, as Hirsch puts it,

the moral lacuna in the capitalist system no longer appears in the traditional view of enlightened liberals, from Mill to Keynes, as a kind of esthetic blemish to be put up with for the sake of its superior efficiency compared to the alternatives. The absence of explicit moral justification and/or specified moral obligations within the system is now seen as weakening its operating

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efficiency in the previously neglected problem of securing the necessary collective goods and socially functional individual norms.⁶

Keynes' managed capitalism, no less than Smith's self-interest maxim, was a miracle drug whose effectiveness, in Hirsch's terms, has been seriously weakened by its side effects.

If much or all of this sounds less than revelatory to readers familiar with a Marxian understanding of the contradictions of capitalism, that is, in a particular sense, beside the point. For Hirsch is addressing himself to the liberal problem of what to do now that Keynesian answers to modern capitalism are found wanting. I said earlier that Hirsch was parting company with Keynes, but in doing so he has performed a kind of liberal *aufhebung*. His new synthesis combines marginal economics, managed capitalism, the new sociology of relative deprivation, a Rawlsian emphasis on a sense of justice and a selected version of social democracy.

This new liberalism calls for "not a revolutionary change in attitudes . . . but an adjustment of degree" (p. 189). The thrust of Hirsch's new ethic is not that people should act altruistically, but rather that they should pursue their individual wants by behaving *as if* they were altruistic. Hirsch knows that capitalism as an economic system requires constant expansion of markets and production. He also knows that any system that claims to be democratic is constantly in need of legitimation. Both of these requirements are in a state of critical tension, in their own terms and with one another. There are then, as Hirsch holds, "social limits to the extension of welfare through economic growth." His book is an attempt to push back those limits or at least lessen "the damage caused by their existence." In addition to advocating the internalization of social norms that entail more modest expectations and which are more conducive to collective action and sacrifice, Hirsch's main policy recommendation is to lessen the monetary rewards attendant upon the competition for place.

In many respects Hirsch's predilections are circumspect. I am inclined to think that a number of the book's ambiguities will be treated with favour by many of its readers. When Hirsch speaks of the long run he sounds like a committed democrat, ready to substitute equality and participation for the rights and prerogatives of those who now have the upper hand in the class struggle. Hirsch, however, also reverts now and then to Keynes, and like Keynes, he's more concerned with the short run. In the short run Hirsch's attempted reconciliation of economic liberalism and democracy leaves unresolved the inherent contradictions in their respective demands. If Hirsch has provided more reasons why extra water is needed for capitalism's Scotch

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we are still left with a vision of society where disparities in wealth, income and power are made more palatable to the majority. When read alongside Rawls, I suspect that Hirsch may be ushering in a new era of post-Keynesian liberalism.

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Notes

1. Rufus Myles Jr., *Awakening From the American Dream, The Social and Political Limits to Growth*, New York: Universe Books, 1976, p. 4.
2. For the mainstream of academic and intellectual liberalism Keynes plays the same role in economics as Max Weber in political sociology, *i.e.*, repudiation of Marx.
3. There is more than a hint of this influence in recent pronouncements by Trudeau and Chretien that the government intends to remove itself from the spheres that are better served by the corporate sector. Moreover there is now a disciples of Friedman organization calling itself the Fraser Institute in B.C. Cf "The New Economists" *Newsweek* June 26, 1978.
4. A group of right-wing monetarists is now being referred to as the "school of rational expectations". This only underscores the fact that the labels used to identify academic concerns are often as misleading as the names and slogans adopted by political parties.
5. "The simple fact is that, contrary to popular preconceptions, there is ample land available to provide food for a burgeoning world population." See Geoffrey Barraclough, "The Great World Crisis, I" *New York Review of Books* XXI, (21 & 22) Jan. 23, 1975, pp. 20ff.
6. Fred Hirsch, *Social Limits to Growth*, Cambridge, Massachusetts: Harvard University Press, 1976, p. 157.