

Professor Sen's "Socialist Economy"

In his 1981 book *Poverty and Famines* Professor Amartya Sen wrote:

“A socialist economy may not permit private ownership of the ‘means of production’, thereby rendering ‘production-based entitlements’ inoperative except when it involves just one’s own labour and some elementary tools and raw materials. ...A socialist economy may restrict employment of one person by another for production purposes, i.e. constrain the possibility of private trading of labour power for productive use.”¹

This definition of the ‘socialist economy’ is an oxymoron.

First, Sen’s so-called ‘socialist economy’ or ‘welfare state’ “may not permit private ownership of the ‘means of production’ ... *except* when it involves just one’s own labour and some elementary tools and raw materials”. He cooks up a sham ‘socialism’ as state capitalism with spices of pre-capitalism – what Marx found in antiquity “a second historical step ... property in the instrument ...labourer as proprietor or ... labouring proprietor ... working proprietor” prior to “a third possible form ...slavery and serfdom.”²

Second, his ‘welfare state’ “may restrict employment of one person by another for production purposes, i.e. constrain the possibility of private trading of labour power for productive use”. To the question, which is to “constrain”, the obvious answer is the ‘welfare state’. Conversely, therefore, he is suggesting a broadening of the trading of labour power by the ‘welfare state’.

Professor Sen avoids the fact that absence of “private ownership” in juridical form does not necessarily mean absence of private property in reality. State ownership based on “trading of labour-power” appears ‘social’ in production, but property remains essentially private in appropriation. He ignores Marx’s method of distinguishing epochs from one another. The defining feature of capitalism is trading on the basis of wage-labour/capital relations of production, while that of Socialism is free equal humans associating in production and distribution on the principle: From each according to ability and to each according to needs. Socialism means a radical change of relations of production and distribution that must have ended the employment system altogether – no matter ‘private’ or ‘state’.

Had Sen taken in account Marx’s explanation of the state, he would not have been able to uphold Keynes’s vulgar concept of a ‘welfare’ state. The state came into existence out of society as a necessity with the social division of labour and the advent of private property and classes. It eventually raised itself above society as the instrument of exploitation and repression of the producing classes by the ruling classes. The state does not exist for the ‘welfare’ of the members of society. At present, the state stands to perpetuate and protect the ‘welfare’ of the ruling classes. However, as and when the present producing class – the working class – take possession of the state, politically using universal suffrage in elections, they would turn it upside-down into an instrument of their welfare in the sense of emancipation of the humanity from the fetters of classes, economics and politics gradually doing away

with the state itself.

A state that wants to “constrain the possibility of private trading of labour power for productive use” has to get into *state trading of labour power for productive use*, which it can do only if it owns and controls the means of production and the means of subsistence in the first place. The state as the owner represents capital – “a collective product” – as “not a personal” but “a social power” which “is independent and has individuality”. It represents capital as a “national” buyer dealing with workers as individual sellers in terms of an exchange that emerges out of and relies upon a trajectory of typical market relation whereupon capital establishes and ensures its domination through a price-instrument, namely, wage. Thus, the existence of wages, no matter what its form, implies the existence of capital, hence capitalism.

Therefore, the welfare economist Amartya Sen is only confusing the working class about the definition of socialism, since he wishes to make the state to serve the interests of workers via “trading of labour power”. Does this not echo Lenin’s vulgar definition – “Socialism is merely state-capitalist monopoly which is made to serve the interests of the whole people”³ in a different jingle?

What is Socialism?

The utopian socialist Robert Owen (1771-1858) undertook the direction of *New Lanark*, Scotland (now a UN heritage site), on 1 January 1800. Their journal *London Cooperative Magazine*, November 1827 issue made the first recorded use of the word “Socialism”; in fact, the Owenites invented the word in the sense of social ownership, not state ownership anyway, even if they could not stand it on scientific basis.

For Marx and Engels, existing state ownership is also an objective form of capitalist private property which Communism or Socialism has to negate with “*a society based upon communal ownership*”⁴ or “the co-operative society based on *common ownership* of the means of production.”⁵

How would it occur? In *The Communist Manifesto* we read:

“In place of old bourgeois society, with its classes and class antagonisms, we shall have an association, in which free development of each is the condition for the free development of all.”

So, according to Marx and Engels we shall have “an association”, not the Bank of Sweden laureate Amartya Sen’s state “trading of labour power” regimentation. Or, as the World Socialist puts it, “The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.”

Sen disregards Marx

It seems that, while writing his book *Poverty and Famines*, Sen did not care to read Marx. Marx wrote *The Poverty of Philosophy* in 1847 as an answer to Proudhon’s *The Philosophy of Poverty*. Marx severely criticized Proudhon’s school of ‘socialism’ as that of the small peasants and master-craftsmen, having practical projects for the “solution of the social equation” based on “competition and monopoly”, “equal wages”, “peoples bank” and “credit gratis”, without understanding the origin of “rent

and property”. Welfare economist Amartya Sen looks in particular to his ‘poor’ for a solution of “Poverty and Famines” with his “exchange entitlement set” under welfare state “trading of labour power”. He represents Proudhon’s “philosophy” minus the principle of revocable and delegated participatory bottom-up democracy (Paris Commune), even though he advises us to “look East for democracy”.

Professor Sen believes “trading of labour power” – that is, wage-slavery – will entitle “employment” by the ‘welfare’ state “for production purposes”. Whereas, for Marx, “capital presupposes wage labour; wage labour presupposes capital. They reciprocally condition the existence of each other; they reciprocally bring forth each other.”⁶ “Capital is nothing without wage-labour, without value, money, price, etc.”⁷

In addition, according to Marx, “capital is necessarily also a capitalist ... The concept of capital implies the capitalist”⁸, “whether he be an isolated, or as in joint stock companies, a collective capitalist.”⁹ Further, “the social capital is equal to the sum of the individual capitals (including the joint-stock capital or the state capital, so far as governments employ productive wage-labour in mines, railways, etc., perform the function of industrial capitalists)”.¹⁰ The “capitalist enterprise” is “essentially private even if the associated capitalist takes the place of the individual capitalist.”¹¹

Amartya Sen’s “socialist economy” or “welfare economics” or what ‘development economics’ with state “trading of labour power” advocates is what Marx and Engels called “a collective capitalist ... social capital ... state capital ... the associated capitalist, the national capitalist”. What “welfare” does it generate for the “people” of the world? It generates collective profit for the ruling class, not social wealth for the humanity.

Amartya’s ‘socialist economies’ – such as China

Professor Sen wrote, “... the elimination of starvation in socialist economies – for example in China – seems to have taken place even without a dramatic rise in food availability per head, and indeed, typically the former have preceded the latter. The end of starvation reflects a shift in the entitlement system, both in the form of social security and – more importantly – through systems of guaranteed employment at wages that provide exchange entitlement adequate to avoid starvation.”¹²

Could China ever eliminate starvation? What happened during the so-called ‘Great Leap Forward’ to build factories when some 27 million mostly peasants and farm labourers were discarded as famine fodder? Any informed person must see that China was, and still is, as class-divided as any country of the world with wage-slavery, unemployment, pauperism, poverty and starvation, but ruthlessly controlled by a totalitarian regime masquerading as ‘communist’. One might ask – does Professor Sen still hold on to what he wrote in 1981 and even after 1989 that saw the heinous bloodbath of the Chinese ‘communist’ government at the Tiananmen Square? There, a swarming convoy of military tanks in the darkness of the dead of night crushed their own students’ (some 3,000 killed and 7,000 to 10,000 injured according to the Chinese Red Cross report) for a peaceful a sit-in movement demanding multi-party democracy.

Who will educate the educator? Engels is ready at hand in *Anti-Dühring* written more than hundred years ago:

“... the transformation, either into joint-stock companies [and trusts], or into state ownership, does not do away with the capitalistic nature of the productive forces. ... The modern state, no matter what its form, is essentially a capitalistic machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of the productive forces, the more does it actually become the national capitalist, the more citizen does it exploit. The workers remain wagers – proletarians. The capitalist relation is not done away with.”¹³

However, it is sheer foolishness to expect one media-made ‘most eminent economist’ to give you a scientific definition of socialism.. That is not important, but still it is important to answer him in public discussion to inform anyone unaware of the truth.

Marx: man as the aim of production

Contrast Marx with the Sens of this world and see how limited capitalist shapes and forms are against Marx’s confidence about richness in the totality of humanity that is socialism:

“Among ancients we discover no single enquiry as to which form of landed property, etc. is the most productive, which creates maximum wealth. Wealth does not appear as the aim of production. ...The enquiry is always about what kind of property creates the best citizens. Wealth as an end in itself appears only among a few trading peoples of the ancient world like the Jews in medieval society . . .

“Thus the ancient conception, in which man always appears (in however narrowly national, religious or political a definition) as the aim of production, seems very much more exalted than the modern world, in which production is the aim of man and the wealth the aim of production. In fact, however, when the narrow bourgeois form has been peeled away, what is wealth, if not the universality of needs, capacities, enjoyments, productive powers, etc. of individuals, produced in universal exchange? What, if not full development of human control over the forces of nature – those of his own nature as well as those of so-called “nature”? What, if not the absolute elaboration of his creative dispositions, without any preconditions other than antecedent historical evolution which makes the totality of this evolution – i.e. the evolution of human powers as such, unmeasured by any *previously established* yardstick – an end in itself. What is this, if not a situation where man does not reproduce himself in any determined form, but produces his totality? Were he does not seek to remain something formed by the past, but is in the absolute movement of becoming? In bourgeois political economy – and in the epoch of production to which it corresponds – this complete elaboration of what lies within man, appears as the total alienation, and the destruction of all fixed, one-sided purposes as the sacrifice of the end in itself to wholly external compulsion. Hence in one way the childlike world of the ancients appear to be superior; and this is so, in so far as we seek for closed shape, form and established limitation. The ancients provide a narrow satisfaction, whereas the modern world leaves us unsatisfied, or, where it appears to be satisfied with itself, is *vulgar* and *mean*.”¹⁴

Sen finds no problem of ‘democracy’ under a bureaucracy, dictatorship, or despotism, or whatever. Still, he redefines us as “primarily human”. Fine, but we find that the first casualty in our survivalist exigencies within class societies – slavery, feudalism and capitalism – has been our “human” identity as a whole. Class division of society

has alienated our co-operative human community, robbing us of our human identity and dignity with class identities and dignities in accordance with the historical evolution of the social division of labour corresponding to the various competitive forms of property – titles, prizes, statutes, hyped icons, heroes, idols, intellectuals, celebrities, dignitaries, etc. In so doing, actually, “The bourgeoisie has stripped of its halo every occupation hitherto honoured and looked up to with reverent awe. It has converted the physician, the lawyer, the priest, the poet, the man of science, into its paid wage-labourers.”¹⁵

All of which have dehumanized the “human” within us by converting the great producing species into a contemptible being. Like any idealist – economist, politician or philosopher – Sen interprets us in many phrases: too often “the poor”, often “the labourers”, at times “workers”, seldom “classes”, then great men of “tolerance” in the East, now “we are primarily human”, but never in terms of the one single active principle to restore our lost “human” by eliminating classes and class identities from the society of the humanity.

Socialism will have its own problems no doubt, but not the dehumanizing ones we face under capitalism. However, we cannot make any forecast about what kind of problems the future co-operative society will actually have to deal with.

Nevertheless, ‘the most eminent welfare economist’ Professor Amartya Sen doctors economics by giving a tongue-twisting support for “trading of labour power” that is perpetual wages-slavery – pure and simple capitalism, private or otherwise, in his ‘socialist economy’. Accommodating backwardness cleverly in the choice technique of “the left-wing” of capital.

Socialists do not bother themselves with the *problems* of poverty. They target the *problem* of property since the abolition of private property in its present form of capital abolishes all problems of poverty altogether.

Long ago in the 18th century Denis Diderot (France) wrote, “Man will never be free until the last king is strangled with the entrails of the last priest.” Today we take the term “strangle” to mean smothering of all various capitalist ownerships and priesthood from our planetary community with universal ownership via seizure of political power by the working class applying their power of knowledge and number in elections.

Notes:

¹ Amartya Sen, *Poverty and Famines*, Oxford University Press, Third impression, 1986, p.3

² Marx, *Pre-Capitalist Economic Formations*, International Publishers, New York, 1975, pp.100-101

³ Lenin, *The Impending Catastrophe And How To Combat It*, SW 2, p.247

⁴ Quoted by D. Ryazanoff, *The Communist Manifesto of Karl Marx and Frederick Engels*

⁵ Marx, *Critique of the Gotha Programme*, Peking, 1976, p.14, emphasis added

⁶ Marx, *Wage Labour and Capital*, Progress, 1985, p.31

⁷ Marx, *Introduction, Appendices, A Contribution to the Critique of Political Economy*, p.205

⁸ Marx, *Pre-Capitalist Economic Formations*, International Publishers, New York, 1975, p.118

⁹ Marx, *Capital*, Vol. I, p.316

¹⁰ Marx, *Capital*, Vol. II, p.100

¹¹ *Ibid.* p.248

- ¹² Amartya Sen, *Poverty and Famines*, p.7
- ¹³ Engels, *Anti-Dühring*, Progress, 1969, pp.330-31
- ¹⁴ Marx, *Pre-Capitalist Economic Formations*, International Publishers, New York, 1975, pp. 84-5
- ¹⁵ Marx-Engels, *Communist Manifesto*, Progress, 1977, p.38