Social Ethics in a Post-Socialist World

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The title of these observations contains two assumptions—that now is indeed a post-socialist era and that there is such a thing as social ethics. It may be worthwhile to examine both assumptions with at least a measure of skepticism.

Is this a post-socialist era? One might reply yes on two grounds.

First, empirically: There is precious little socialism left—"real existent socialism," in the old Marxist phrase—for anyone who may want to reply no. This is not only because of the spectacular collapse of, first, the Soviet empire in Europe, and then of the Soviet Union itself, though that collapse is surely the single most dramatic event of this moment in history. There is also the rapid conversion to capitalist policies (even if not always capitalist rhetoric) of formerly socialist regimes and movements almost everywhere in the world. Populist politicians in Latin America, African dictators, Communist Party officials in China and Vietnam, Swedish social democrats—more and more they all sound like economics graduates of the University of Chicago, at least when they talk about the economy. "Real existent socialism" survives in a few countries, every one a disaster (North Korea and Cuba are prime cases), and in enclaves where one has the feeling of being in a time-warp (among, for example, academics in India or in the English-speaking universities of South Africa, or in some church agencies in the United States).

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Second, one might view this as a post-socialist era for theoretical reasons: Given the historical record of socialism in this century, one can say with some assurance that all the claims made for it have been decisively falsified—be it in terms of economic performance, of political liberation, of social equality, or of the quality of life. Similar falsification has befallen every major proposition of Marxism as an interpretation of the modern world. As a theory, then, socialist ideology today impresses one as being akin to a stubborn assertion that, despite everything, the earth is flat.

Why, then, the skepticism? Well, for one thing, it is always dangerous to project a particular moment of history into the future. In the 1930s an observer of the world scene at that moment could well have concluded that fascism was the wave of the future and that it was futile, and possibly even wrongheaded, to resist (it is salutary to read about the sizable number of Western intellectuals, including Christian ones, who urged their contemporaries to recognize fascism as the revolution of the century and, if I may use a somewhat more recent phrase anachronistically, who urged them "to get on the right side of history"). And, of course, huge numbers of intellectuals until the day before yesterday were apodictically certain of a socialist future. Clearly, one should be extremely cautious when seized by the feeling that one is moving with the logic of history—a Hegelian indulgence that almost invariably ends with a great disillusionment.

In this particular instance it is not very difficult to imagine scenarios in the not-too-distant future in which there might occur resurgences of socialist policies and ideals: the failure of neo-capitalist

regimes in developing societies and/or the formerly Communist countries in Europe to achieve economic take-off; the insight granted to sundry dictators and despots that, while socialism invariably immiserates the masses, it is a very good recipe for enriching those who claim to hold power as the vanguard of the masses; the "creeping socialism" (still an aptly descriptive term) brought on by massive government intervention in the economy in the name of some societal good, e.g., there could be an environmentalist road to socialism, or a feminist one, or one constructed (perhaps inadvertently) with some other building blocks of politically managed regulations and entitlements; or, last but not least, the actual restoration of socialism, by coup or by voting, in a number of countries, beginning with Russia. For the last three years or so it has been fashionable to say that socialism is "finished." Let us not be so sure. Certainly, a rational mind has cause to conclude that socialism belongs on the scrapheap of history. But, alas, history is *not* the march of reason on earth.

With respect to our second question—Is there such a thing as social ethics?—the answer is obviously yes. There are, after all, programs with that label in academic curricula and on the agendas of church organizations. But it is nevertheless far from clear what this phrase is supposed to mean: Is there ethics that is *not* social? The morality of suicide and of masturbation are the only two areas that readily come to mind. Setting aside such hairsplitting, tempting though it be, one is left simply with usage. In that case, presumably, social ethics has been the intellectual activity through which Christians have tried to figure out the moral problems of contemporary society. That would in itself be a definition hard to quarrel with, were it not for the fact that in recent years it has come to be widely held that the final purpose of "doing" social ethics is to draw up a blueprint for a just society and perhaps also a practical guide for getting there. Leaving aside the far from simple issue of the relation between faith and ethics, and hewing strictly to the line of social science, we have to say that blueprints for a just society have typically been one of two things—either a set of propositions so abstract that they could be filled with just about any concrete content or a set of propositions that could indeed be practically applied, which applications have led to some of the great human catastrophes of the modern age. Put as an empirical statement: Beware of the prophets of a just society!

Socialism has been attractive to many social ethicists precisely because it is clearly of the second type—a concrete blueprint, based on an allegedly scientific understanding of the forces of history and providing some reasonably clear guidelines for action. Marxism, in all its variants, has provided the most coherent blueprint of this type, that is, an exhaustive analysis of the present, a fairly clear vision of the future, and on top of all that (especially in its Leninist version), a practical method of getting to that future. All of it, of course, has been a gigantic delusion—the analysis was false, the vision was deeply flawed, and the experiments of realizing the vision have exacted horrendous human costs.

But even if one were to assent to the view that socialism is "finished," one should understand that the womb that gave birth to this phantom is not barren yet. Vilfredo Pareto's distinction between "residues" and "derivations" is useful here. "Residues" are the persistent impulses and motivations of human behavior, while "derivations" are the temporary, fugitive ideologies and programs by which the underlying impulses express themselves at any given moment. In this instance, the "residue" is a deeply rooted impulse to create a perfect community on earth. Whether or not socialism is "finished," a crew of successor utopianisms are already standing in line. Leaving aside the theological proposal that utopianism is distorted eschatology, and idolatry to boot, we can subscribe to a perhaps more modest statement, to wit, that unless social ethics resolutely gives up any and all utopian visions, and not just the socialist one, it will again and again end up legitimating regimes and movements that perpetrate moral horrors. A Christian social ethics should begin with the premise that there can be no perfect community in this aeon, from which follows an enterprise of moral reflection that will be piecemeal, cautious, and open to revision.

It is a piece of folk wisdom, elevated to philosophical principle by Santayana, that one must understand history in order not to repeat its mistakes. The theological equivalent of this is the proposition that there can be no renewal without repentance. Generally speaking, neither the secular nor the theological version of this alleged truth is fully persuasive. Repentance is very often an exercise in self-indulgence, and sometimes the best way to move forward is to forget the past. In the case of the relation to socialism of Christian social ethics and Christian church bodies, however, it is probably true that history should be remembered and reflected upon, precisely because the impulses that moved it are not just in the past but very much present still.

And this history is not a very edifying one. Prior to the advent of "real existent socialism," that is prior to the establishment of the "first socialist society" in Russia, there was a certain innocence to the Christian infatuation with socialist ideals. One might even argue that this infatuation was defensible as long as the Soviet Union was the only empirical case of socialism—after all, one could

blame its faults and failure on the peculiarities of the Russian case.

But the most intense infatuation with socialism in the churches came with the cultural earthquake of the late 1960s and early 1970s in the West. By then, there were many socialist societies scattered all over the globe, many of them with minimal or no connection with the Soviet Union. There followed a long and ever-changing list of socialist experiments, most of them in the Third World, each of which, we were told in turn, embodied some bright hope for a just and humane society—China, North Vietnam, Tanzania, Cuba, Nicaragua. The facts about these societies—facts about massive terror, repression, and economic misery, and, need it be said, about the persecution of Christians—were systematically ignored, denied, or explained away.

In consequence, Christian voices were prominent among those who served as mouthpieces and who created entire networks of political support for these regimes in the West. And although most Western sympathizers held no particular brief for Soviet-style socialism, their worldview did generally include the notion that the latter was morally equivalent to democratic capitalism. In this context the fate of the idea of "the church in socialist society"—*"Kirche im Sozialismus"*—in ecumenical discussions is most instructive (the idea, of course, was formulated in the German Democratic Republic under circumstances the unsavory character of which has now become clear with the opening of Stasi files).

Setting aside the question of how much real guilt there is in this sorry history and how much need for real repentance, the great need at this moment is an intellectual one: the need for a resolute cognitive reassessment. This reassessment should pay respect to the empirical reality, that is, on the one hand, the unmitigated disaster of socialism everywhere—economically, politically, and in a monstrous aggregate of human suffering—and, on the other hand, the relative capacity of democratic capitalism to lift large masses of people from abject poverty to decent levels of material life and to provide political regimes that establish respect for elementary human rights. This would mean giving up, once and for all, the endless rationalization of socialist fiascoes and the restless search for some allegedly different incarnation of "true socialism" in this or that obscure corner of the globe. It would mean accepting the fact that a market economy and a democratic polity, with all their demonstrable flaws, constitute the best bet, at least under modern conditions, for a modicum of moral decency in society. It would also mean an honest attempt to understand the actual workings of these two institutional arrangements—a market economy and a democratic polity—and their relation to each other.

It must be emphasized that such a reassessment would properly be a far cry from the triumphalism about democratic capitalism that (understandably perhaps) found favor in right-of-center circles in the last few years: we must be careful not to substitute a right-leaning utopianism for the left-leaning one of the past. The market economy and the democratic polity are institutional mechanisms that, with some luck, are reasonably efficient in securing specific goals, respectively, the creation of wealth and the protection of certain human rights. As always with institutions, new and unforeseen problems (both technical and moral in nature) appear as their products.

And, of course, there are a host of problems that remain untouched even when these institutions are eminently successful in securing their particular goals. To mention but a few, the problems of the relation between men and women, of racial and ethnic hatred, of the impact of modern technology on the environment, not to mention the perennial problems of human finitude and mortality—all these problems are common to all societies. The notion that they can be solved either by the market or by democracy, or a combination of the two, is fully competitive with some of the more grandiose socialist delusions. Still, it is certainly possible to engage in moral reflection about these institutions without either romanticizing or anathematizing them.

If, in this thoroughly unmessianic spirit, we turn to the moral issues of contemporary capitalism, it is possible to distinguish two sets of issues, broadly definable as macro- and micro-dimensional. The macro-issues are those that involve the society or the economy as a whole; the micro-issues concern individual sectors or organizations within the economy, such questions as business ethics and corporate culture generally. The latter are naturally of great importance, and do in the aggregate affect the larger society. But our interest here will be the macro-level. Now, on this level, it would be easy right off to draw up a very long list of moral issues faced by capitalist societies today. For virtually no problems faced by and politically debated within these societies are without a moral dimension, including very technical economic problems (such as, say, the prime lending rate or rates of exchange between national currencies). A few specific examples of such issues follow.

First, there is the question of the sequencing of marketization and democratization.

For the time being at least, much of the world is moving toward a market economy and toward democracy. Among those who participate in the post-socialist mood of triumphalism, these two

processes are commonly seen more or less as two sides of the same coin. Alas, they are not. There is, to be sure, a measure of validity to the identification. It is empirically correct, for instance, that a successful market economy releases democratizing pressures—the children of hungry peasants, once they have forgotten the hunger, become politically uppity. It is also empirically correct that a market economy is the necessary, though not sufficient, condition for democracy—there have been no socialist democracies, for reasons that can be explained sociologically. But it is *not* valid to say that one cannot have a market economy without democracy. The empirical evidence appears to suggest that, while a market economy tends eventually to generate democracy (put differently, dictatorships tend not to survive a successful capitalist development), a market economy need not have democracy in order to take off.

Indeed, it usually doesn't. None of the post-World War II success stories in East Asia took off under democratic regimes, except for Japan. And Japan's original take-off was almost a hundred years earlier, under the Meiji regime—and *that* was certainly not a democracy. Two recent success stories in other parts of the world, Spain and Chile, replicate the marketization-before-democratization pattern. And if one looks at the formerly socialist societies in Europe, one may well conclude that an important reason for their present difficulties is that they are attempting to undertake both transitions simultaneously. Nor does the earlier history of capitalism offer much comfort to the reverse-sides-of-the-same-coin viewpoint. England, where it all began, could hardly be described as a democracy in the eighteenth century; neither could France or Germany in the nineteenth. The United States may be the comforting exception. There are also some comforting cases in the more recent period—for example, Sri Lanka, or Pakistan in the 1960s. But on the whole, there is enough evidence at least to suggest that, if one wants to have both a market economy and democracy, it is better to have the former precede the latter—if you will, to have *perestroika* before *glasnost* (it being understood, of course, that Gorbachev had something other than full capitalism in mind with the former term, and something less than full democracy with the latter).

The reasoning behind such a hypothesis is not difficult to explain. It is safe to say that no economic takeoff can occur without pain. The pain, inevitably, will not be equitably distributed throughout the population. Initially, very likely, only a minority will benefit from economic growth. In a democracy, this minority is easily outvoted, especially if populist politicians agitate the majority that either feels the pain or, minimally, does not see any tangible benefits as yet. Mancur Olson has coined the useful term "distributional coalitions." By this he means vested interests that organize in order to get their slice of the economic pie by means of government actions. Olson argues that economic growth is slowed when these coalitions mature. In a wealthy, developed society such slowdowns are economically tolerable; in a poor, less-developed society a slowdown can abort the takeoff. Democracy, of course, gives distributional coalitions the free space to organize, to grow, and to influence government. By contrast, a dictatorship can more easily control those vested interests that seek to slow down or dismantle the government's economic policies.

The case of present-day China sharply illustrates both the empirical processes at issue and the resultant moral dilemma. It is not altogether clear whether what is now happening in China represents a deliberate policy of the Deng Xiao-ping regime or whether in fact the regime has lost control over what happens. In any case, what is happening is a capitalist revolution, especially in the south, unfolding rapidly under a regime that continues to spout Marxist rhetoric and that has, so far successfully, curbed any moves toward democracy. Ironically, this situation strongly resembles the situation in Taiwan when the authoritarian Kuomintang regime launched the capitalist takeoff there. The China story, of course, has not ended and the present economic course could yet be arrested. In large parts of the country, though, such a reversal would be very difficult. Guangdong province (a territory, by the way, that has some eighty million inhabitants) is rapidly becoming an economic extension of neighboring Hong Kong, registering one of the highest growth rates in the world. The prosperity generated by this economic transformation is creeping up the coast toward Shanghai. It is not unreasonable to suppose that eventually some kind of political liberalization will follow the economic one.

The moral problem in a case of this kind concerns the interim period, the duration of which cannot be predicted. One need not necessarily be troubled by the delay in the advent of democracy per se; though it is terribly un-Wilsonian to do so, one can, and in fact ought to, remain open to the possibility of the benevolent autocrat. The trouble, once again, is empirical—the aforementioned correlation between democracy and human rights. Put simply, dictatorships, much more than democracies, are likely to violate human rights. The key question for the sort of "interim ethic" called for here (New Testament scholars will please forgive the term) is how many and what sorts of violations one is prepared to accept. It is not all that difficult to swallow the absence of elections (or the absence of *honest* elections, which amounts to the same thing) as the price for spreading prosperity soon

and widespread prosperity eventually (especially as democracy is likely to appear as the latter occurs). But on the other hand, genocide is certainly not an acceptable price. The real question is, where are the limits? Using tanks against unarmed civilians? Using them once only? Regularly? What about a network of political prison camps? What about the use of torture by the security forces? Occasionally? Regularly? And so on. The *real* moral dilemmas almost always get lost in current debates over human rights, especially if either democracy or the market or both of these are proposed as panaceas.

The second macro-level question concerns the range and the nature of political redistribution. It is clear that a market economy, once it has reached a certain level of affluence, can tolerate a considerable amount of governmentally managed redistribution. This, of course, is the basic lesson to be learned from the coexistence of capitalism with the welfare state. It should also be clear that this tolerance is not without limits. If political redistribution reaches a certain level, it must either send the economy into a downward spin (wealth being redistributed faster than it is produced) or dismantle democracy (to prevent those whose wealth is to be redistributed—a population which, as redistribution expands, will be very much larger than the richest group—from resisting). Now, it would be very nice if economists and social scientists could tell us just where this level is—one might call it the social-democratic tolerance threshold. Right-of-center parties in Western democracies perceive a very low threshold (each piece of welfare state legislation another step on "the road to serfdom"); left-of-center parties believe in a very high threshold, and some in that camp seem to think that there is no limit at all. What evidence there is clearly does not support either the disciples of Hayek or Swedish social democrats; but neither, unfortunately, does the evidence locate the tilting-point. Once again, a sort of "interim ethic" is called for, full of uncertainties and risks.

Paradoxically, the choices here are simpler in a poor society, where the amount of wealth available for redistribution is quite small. Perhaps a more accurate statement would be that in a poor society the choices *should* be simpler, if policies were to be decided upon rationally and with the general well-being of society as the goal. In fact, of course, all sorts of irrational motives are at work in every society, and what is bad for the whole society may be very good indeed for whatever clique of "kleptocrats" (Peter Bauer's term) is in charge of government. Still, the so-called "Uruguay effect," i.e., an expansive welfare state ruining the economy, becomes visible rather quickly in a poor society (though at that point it is very difficult to repair the damage). In a rich society the process of economic ruination is likely to take more time and to be less visible, with the consequence that the available choices may seem more free than they in fact are.

The moral problem here is, rather simply, to find a balance between economic prudence and the desire to meet this or that social need. Leave aside here the fact that some needs are artificially created and do not really arise out of genuine deprivation. Even when full allowance is made for this, there remain enough cases of real deprivation in any society to leave the moral problem in place. How much of a welfare state can a successful capitalist economy afford? How much of government intervention in the economy, not just for the sake of redistribution, but for any alleged societal good? Even if one is not a true disciple of Hayek, one must concede that the road to economic disaster (with all its ensuing human costs) is frequently paved with good intentions.

The moral problem becomes even more complicated. There are not only potential *economic* costs to political redistribution; there are costs in terms of democracy and in terms of the liberties of individuals, as well. The welfare state brings about an expansion of government power into ever more areas of social life, with government bureaucrats and governmentally authorized social workers peeking and poking into every nook and cranny of the lives of individuals. The purpose of all these interventions is almost always noble-sounding—to protect the public health, to assist children, the old, or the handicapped or some other underprivileged group, to safeguard entitlements, to watch over the expenditure of taxpayers' money, and so on and so forth.

The sum total of all these interventions, though, is what Bernard Levin has called "the nanny state," which reached its climax in the social democracies of northern Europe and which, of course, brought about a backlash even there, not only from irate taxpayers but from a lot of people who were fed up being interfered with at every turn by the agents of benevolent government. At what point, then, does well-meaning political intervention become tyrannical? How can specific social needs be met without aggrandizing state bureaucracy and depriving people, those with the putative needs, of more and more control over their own lives? In poor societies the question can be put this way: How can the most pressing social needs be met without risking the "Uruguay effect"? In richer societies the question becomes: How can one maintain a reasonably effective welfare state without succumbing to the "Swedish disease"?

Third, there is the issue of the relation between economic development and cultural values.

Max Weber was wrong about many things, and he may even have been wrong about the strategic place he gave to the "Protestant ethic" in the development of modern capitalism. But he was almost certainly right in his assumption that some form of what he called "inner-worldly asceticism," that is, a collection of values that led to worldly activism and to delayed gratification, was necessary before a modern economic takeoff could occur. The Puritan entrepreneur was indeed a prototypical figure embodying such values. Contemporary evidence about the economic cultures of East Asia, of successful ethnic groups in different countries, or of the mobility of immigrants to this country all seems to point in the same direction: self-denial and discipline are virtues that are the condition *sine qua non* of early capitalist development.

Christian ethicists usually have no great difficulty in admiring and even recommending these virtues, also in cases where they do not fully or even partially endorse the theological and philosophical presuppositions of people who evince them (such as, for instance, Latin American Pentecostals, Muslim fundamentalists, or neo-Confucian businessmen). At the same time, Christian ethicists often decry the absence or the decline of these values in Western societies today and go on to suggest that, unless we return to the old virtues, we will go under economically; and in this they may very possibly be mistaken.

Contemporary Western societies, with America in the lead, are anything but self-denying and disciplined. They are governed by values of self-gratification and untrammeled individual freedom. From a Puritan viewpoint, of course, such values will be seen pejoratively—as expressing greed, selfishness, irresponsibility. From a different perspective, one may perceive them as joyful and liberating. Be that as it may, in this century there has been an ongoing progression in Western cultures away from the older asceticism. A quantum leap in this development came with the cultural revolution that began in the 1960s. The culture has become even more liberating in terms of the wants of individuals, more libidinally positive, if you will "softer," more "feminized." This cultural change has by now invaded significant sectors of the business world, of the bastions of capitalism. Thus far there is no evidence that this has a negative effect on economic productivity, at least as one reads the actual evidence.

This obviously poses a moral problem for those who remain committed to the older virtues. Hard work, postponing enjoyments, discipline, sobriety—all these components of the "Protestant ethic" may have been held to be good in themselves, but it certainly helped when one could credibly argue that adhering to these virtues not only pleased God but worked to one's economic advantage in this world, here and now. Conversely, there would be some embarrassment to many ethicists if putative vices like self-indulgence, sloth, and lechery could be happily practiced without visible ill-effects in the economic progress of individuals or of society.

But there is another moral problem if one takes the view that our "softer" culture will indeed harm us economically, both as individuals and, more importantly, as an entire society. This point of view regularly recurs in discussions of our competitiveness vis-à-vis East Asia in general and Japan in particular. We must change, it is said, or we will lose out in the international competition. Usually it is not so much our hedonism that is being chastised in this way (though that comes in for some invidious comparisons too) as our alleged "excessive individualism." By way of contrast, we are asked to contemplate the wonderful loyalty of the Japanese to their company and their fellow-employees.

Now, never mind how accurate this picture of East Asian economic culture is; let it be stipulated, for the sake of the argument, that the Japanese are all they are here assumed to be and that this does indeed give them a comparative cultural advantage over us. Do we really want to become more like them? Do we want the corporation to become an all-embracing *mater et magistra*? Do we want people to submerge their aspirations for self-realization in loyalty to an organization? Do we want employees to put the company before family? And most basically, are we prepared to say that the whole history of Western individualism, including its expressions in the American political creed, can be looked at as a great mistake? And, if we say no to all these questions (as most of us surely would), how much of an economic price are we willing to pay for this position?

There are no definitive or unambiguous solutions to these or any other moral dilemmas of society. There is not, and cannot be, a design for a just society prior to the coming of the Kingdom of God. Moreover, when we start to act in society, the overwhelming probability is that our actions will either fail or will lead to consequences that we did not intend. Sometimes these consequences will be terrible. For this reason, the first and last principle of any Christian social ethics must be the forgiveness of sins. But that is a story for another time.