

Defining Socialism*

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Hearing a petition on November 22 to remove the term “socialism” from the Preamble of the Indian Constitution, the Chief Justice of India made two significant observations: first, the term “socialism” in the Preamble of the Constitution is used not in any doctrinaire sense but refers rather to a welfare state that ensures equality of opportunity for all citizens; and second, “socialism” in this sense is part of the basic structure of the Constitution; it is not just an add-on to the Preamble but rather something that permeates the very essence of what we want the Indian republic to be.

The CJI refrained from giving “socialism” an institutional character. All over the world the term “socialism” has been taken to mean social ownership of the means of production, at least of the key means of production; but the CJI, defining “socialism” in terms of outcome rather than the institution of ownership suggested that private enterprise was not incompatible with “socialism”; what really mattered was the creation of a welfare state ensuring equality of opportunity for all citizens.

The institutional definition of socialism, in terms of the ownership of the means of production, is pervasively used because social ownership is considered a necessary condition for ensuring a welfare state with equality of opportunity. The CJI however suggested that this outcome could be obtained even without the institution of social ownership. To be sure, socialism is not concerned only with creating a welfare state with equality of opportunity; its objective is more far-reaching, namely to create a new community by transcending the state of fragmentation into atomised individuals that capitalism brings to a society. But the new community must also be characterised by a welfare state with equality of opportunity; the point is whether such a welfare state with equality of opportunity can be achieved even without social ownership of the means of production.

We believe that it cannot; but we shall not, apart from citing some obvious instances of contradiction between private enterprise and equality of opportunity, enter into this debate here. Rather, we would urge the Supreme Court to adhere to the CJI’s commitment to equality of opportunity and examine what a society characterised by equality of opportunity would have to look like. This becomes important because nobody can possibly argue that the current Indian society, with its increasing concentration of wealth on the one hand, and growing unemployment and nutritional poverty on the other, is moving in the direction of ensuring equality of opportunity; but then the question arises: what are the markers of such a move towards equality of opportunity?

Clearly there can be no equality of opportunity in a world where there is unemployment, or what Marx had called a reserve army of labour. The incomes of the unemployed are much lower than those of the employed, even if the former get an unemployed allowance; the children of the unemployed therefore would suffer from deprivations of various kinds that would make equality of opportunity between them and the children of others an impossibility.

Quite apart from the economic inequality arising from unemployment, there is also the stigma of unemployment, the loss of self-worth on the part of the unemployed,

which necessarily makes for a traumatised childhood for the progeny of the unemployed. Such trauma can be eliminated, which is a must for equality of opportunity, only if unemployment itself is eliminated.

One way of overcoming the economic deprivation arising from unemployment would be to have the unemployed earning the same wage rate as the employed, that is, making the unemployment allowance equal to the wage -rate; but this is not possible in an economy with private enterprise. The existence of unemployment acts as a disciplining device on the workers, not just under capitalism, but in any economy where there is a significant private sector; because of this, the unemployed earning the same wage as the employed, or, put differently, the unemployment allowance being the same as the wage rate, would be unacceptable in such an economy, for it would then remove this disciplining device. The “sack” would lose all its punitive force, as would be the case too if there is actual full employment.

The first contradiction between equality of opportunity on the one hand and private enterprise on the other arises therefore on the question of unemployment. But whether the CJI would agree with it or not, he must recognise at least that the existence of unemployment is a barrier to equality of opportunity.

The second obvious requirement of equality of opportunity is the total elimination of, or at least a very substantial reduction in, the scope for inheriting wealth. A billionaire’s son and a worker’s son can hardly be said to have equality of opportunity if the former inherits his father’s billions. In fact even bourgeois economics which attributes capitalists’ profits, and hence wealth, to their having some special quality that others lack, cannot defend inheritance, for it goes against this very argument of “wealth-because-of-some-special-quality”. This is why most capitalist countries have high inheritance taxation, the rate in Japan being 55 per cent, and in other major countries around 40 per cent. In India amazingly there is no inheritance taxation, which flies in the face of equality of opportunity.

The third requirement of equality of opportunity is that, quite apart from inheritance being proscribed, wealth differences themselves should be minimised. Wealth brings power, including political and social power, and a society where power is unevenly distributed, can hardly be said to provide equal opportunity to all. Hence quite apart from the fact that wealth should not be allowed to get passed on to children, the effects of wealth in the form of providing an undue advantage to children during the parent’s life-time, must be prevented, for which wealth differences must be minimised. And exactly the same holds for income differences, which should also be minimised if equality of opportunity is to be ensured.

The fourth obvious requirement is that economic inequality must not be allowed to impinge on the educational qualification or the level of skill acquisition of the progeny. This in turn requires that the access to education and skill acquisition must be equalised for all, through a public education system that provides training of the highest quality, either free or at an extremely nominal price affordable by all. Far from the privatisation that has been occurring in the sphere of education in our country and elsewhere under neoliberalism, which makes a mockery of equality of opportunity by excluding vast numbers of students from its ambit, there should be a universalisation of high-quality and fully-affordable public education. In fact, even when there is such a public education system, as long as expensive private institutions

exist there may be a false prestige associated with them that subverts equality of opportunity by favouring recruitment from such institutions; this has to be countered by ensuring that private institutions, if they exist, charge no higher fees than public ones. They can in short only be charitable institutions.

The fifth requirement relates to healthcare, where exactly the same considerations apply. The provision of universal high-quality healthcare, through a National Health Service under the aegis of the government, that is entirely free or demands a nominal price affordable by all, is an essential condition for equality of opportunity.

These are some absolutely obvious and yet minimal requirements for ensuring equality of opportunity. The fact that post-war social democracy which built up a welfare state in the advanced capitalist countries, and used Keynesian demand management to keep unemployment down to a minimum (around 2 per cent in Britain in the early 1960s), neither succeeded in achieving genuine equality of opportunity, nor could prove to be a durable achievement (it collapsed because of the inflationary crisis of the late sixties and the early seventies) is significant: it shows the impossibility of achieving equality of opportunity in a society that continues to be divided along class lines.

The inflationary crisis that consumed the welfare state was a result of the high employment rate and also of the loss of that complete control over primary commodity producers in distant lands which had been provided earlier under colonialism to the metropolis; these developments intensified class conflict and inflation was the result. It is only in a society where class antagonisms do not exist because the means of production are socially owned, that there can be genuine equality of opportunity.

But let us not argue on this issue. Let the Supreme Court remain committed to the provision of a welfare state with equality of opportunity. Any steps in that direction, even though short of socialism, should be welcome to all socialists.

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