

Socialism, as a politico-economic realm of world affairs, has been seen as correlating to collectivism and globalism as politico-social and politico-strategic realms of such. In addition, an assumption about human beings as being essentially good under such conditions has been made. Confronted with the task of a rough draft about the workings of a global socialist economy though, these foundations might not be fully applicable. The purpose of this briefing paper is such a rough draft in a world that would be made up out of nation-states – just as today – but without the currently prevailing liberal and increasingly Hayekian economics.

It is worth mentioning that no fixed definition of “socialism” exists. Therefore, some freedom in application can be granted. What a majority of definitions of socialism have in common, is the concept of collective or centralistic ownership of the means of production and distribution in society. Means of production in this sense have to be understood not only as huge, stinking factories, but applied to contemporary reality, every kind of work has to be seen as part of GDP production – the doctor fixing the broken leg, the insurance-clerk selling unnecessary insurances and so on. As this blueprint of a global socialist economy ought to be somewhat convincing, the concept of public ownership of all means of production will be discarded. It might even be questionable in itself as a necessary feature of socialism, as this runs contrary to many definitions of socialism, which identify European states during the “Golden Age of Capitalism” as socialistic, even though to other “hardcore” socialists they are certainly not.

Before describing the make-up of the global economy, the workings of a socialist economy on a national level deserve attention. If natural conditions would be comparable worldwide and a socialist economy would not succeed a capitalistic economy, as has to be assumed for some connection to reality, the idea of a workable global government alone has to be discarded. All socialist nations, as the failures of “real socialism” have shown, have to be organized as democracies, and for the sake of efficiency, these democracies have to be representative. As humans are essentially good, state-leaders are essentially good. Even though real power is concentrated in the hand of the elected few, as nowadays, these few live up to the task of mass representation, not just elite representation, as nowadays. Which is quite obvious, as the elites no longer exist. Balances of power and costly war machineries also deserve little or no attention, as a democratic, socialist world has delivered a perpetual peace, just as the advocates of global liberal democracy claim “their” democracy can deliver. Surprisingly, this paper advocates an economical make-up not extremely different to contemporary capitalism, as humans, even if they are essentially good, have to be pushed towards being economically beneficial. Extreme social inequalities would be a thing of the past, though. Workers would make decent livings, teachers, managers and other well educated people would make a better living, really innovative ones would be able to make a comparative killing – even though it might appear overly influenced by “past” liberal thinking, the option of an “American dream” has to be a part of any workable socialism. Full-employment, an idea often found in socialist theories, appears utopian as well – at least for every single nation on earth. Instead, unemployment as under capitalism, will be countered by an extensive welfare state, even more extensive than under the Europe of the 60s or 70s, but always below the incomes of the worst-off workers – even essentially good people would not become plumbers or miners for nothing but the good of equal society. Forcing everybody to work would resemble slavery. Those who work would be able to sustain themselves – quite different to full-time workers at Walmart in 2005, who still have not left the ranks of the poorest in the States even though their employee took home ten billions in 2004 and they wasted 40+ dull hours week by week. Basically, national economies would feature an economy not too different from nowadays, complemented by a well managed welfare state. Concerning the ownership of production a tool from capitalistic times seems helpful: the shareholder-concept. As private ownership results in innovative business-models and it would slave people under unfree conditions to disallow private investments and the fulfilment of personal dreams, businesses up to certain thresholds would be allowed to work as individualistic as under capitalism. At a certain point of economic success – the make-up of the threshold, whether a certain amount of profit, turnover or employees shall not be a part of this brief – the original founder of the company would hand it over to public ownership, but could still remain as a well paid manager, as to not scare him of the threshold. All companies above the threshold – most large companies would be above from the start – would be owned collectively but managed by able managers. Every inhabitant of a nation would receive a fraction of the nation’s fund – not too different from current investment funds – at birth and receive yearly dividends. There would be no stock-market and the right for dividends would be untradeable. All benefits would flow in the form of dividends, so if a nation would do well, everybody would participate. Also, social disparities would be held in check; just as the welfare state would deliver an income “floor”, the maximum income would be capped as well, for example at a tenfold of the “floor”. The government would run the bank-system and hand out credits for promising ideas, and as innovative processes might not appear so from the start, everybody would be guaranteed one “free shot” in his lifetime, even though it would have to be accepted that expensive “free shots” would have to combine several people’s “free shots”.

Globally, companies would not be allowed to operate outside their borders. If a country would hold a comparative advantage in wages, no exploitation from the outside would be allowed to occur. Currency-speculations would be abolished, but no global currency would be introduced as to give national governments some flexibility concerning economic strategies. Trade would be allowed, but conditioned fairly by the nations involved. Democratic nations led by non-elitist state-leaders would be free from contemporary structural terror and free to choose from the “toolbox” of economic nationalism. As a result, international trade, especially intra-firm trade, would decrease and nations would become more autarkist. The remaining international trade would be organized “fairly”, with no countries abusing monopoly powers in certain natural resources or taking other unfair advantages of the system – remember: state-leaders are essentially good, and national riches on the backs of others would result in a mandatory monetary outflow. There would be global governance. Global governance would be aimed at the fairness of market procedures. Another objective of global governance would be the global welfare: all socialist nations would be guaranteed minimum standards for their people, even though it is agreed that these standards would differ from region to region, as the new socialist world order would take place in a world essentially made up of first, second and third worlds. If nations’ respective economies would not be able to deliver these standards through the nation’s welfare state or its dividends, the international community would provide assistance (subtracted from other dividends). Whatever these minimum standards would be – a decent diet, education, plumbing – would have to be determined. Global governance would also have to deal with globally shared challenges, for example the centrally planned abuse of the world’s riches in sustainable and equal ways. In the early days of socialism’s reign nations could receive per capita pollution certificates comparable to pre-socialist levels; in the future, these allowances could be gradually equalized and brought in accordance with sustainability. Nations would be required to keep the external effects of their economies in cheque and reroute parts of the nation’s dividends to those affected by the nations’ actions. If you can swim out of your living room in Bangladesh due to the greenhouse effect initiated by others, the other’s dividends would have to provide a boat and a new house upon the next hill.

In conclusion, the age of global socialism would deliver perpetual peace and global welfare, concerning agreed upon minimum standards. The absence of outside pressure would allow democratic socialism to focus on the people’s wellbeing, and excessive profit-hunting would be controlled by capped incomes – capped but well above a life-sustaining floor. Caps could also be put on nations’ per capita dividends. Global governance would keep the world’s economic activities in line with sustainability and fairness in trade and freeness. The realisation of globalism and collectivism would be limited by the rationality of easier to manage, smaller units (nations) and incentives needed for innovation and development. In the end, socialism isn’t communism.