

Socio Economic Democracy in light of its Larger Social/Economic Context and a Systems-Based Approach

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Socioeconomic Democracy is a model economic system, or more precisely, socioeconomic subsystem, in which there is some form of Universal Guaranteed Personal Income as well as some form of Maximum Allowable Personal Wealth, with both the lower bound on personal material poverty and the upper bound on personal material wealth, set and adjusted democratically by all society.

Robley George, Socioeconomic Democracy, Ch.1

Of all the areas of economic inquiry one of the most practical and significant is that having to do with equality. Who gets access to wealth/resources and who doesn't? Which people have "buying power" and which do not? And, is it right that only a few should control a society's store of wealth while the vast majority of people are unable to achieve life's rudimentary comforts in order to pursue their lives' callings or even their basic needs?

Questions like these have inspired a whole genre of economic literature on the subject of economic equality. One such work seeking to address the matter is Robley E. George's *Socioeconomic Democracy*.¹ Proposed therein is a model for redressing the problems of the haves and the have-nots in societies.

SeD seeks to open up the problem to public view; and through that – by means of its prescriptive, analytical terms as a normative system – it provides the tools by which the dilemma can be treated by the people of a society. Using such means people would be able to decide upon the superior limit (or "upper bound") by which an individual would be able to procure wealth for him/herself. This is the concept of the **Maximum Allowable Personal Wealth Limit (MAW)**(Socioeconomic Democracy, p. 7); its counterpart term (the inferior limit or "lower bound") is the **Universal Guaranteed Personal Income (UGI)**(Ibid) by which the people of a society can 'democratically' or consensually determine the level at which a portion of a country's wealth is insured to every person and promptly allotted to them, and as such distributed fairly and equitably.²

The *levels* at which MAW and UGI are to be set, their *means and manner to be employed*, and just *how* it is that wealth should be procured, distributed, and guaranteed are all *variable* units and are meant to be decided upon and agreed to by the members of the society together by their collective 'vote' in a "quantitative[-ly] democratic"³ fashion. Ultimately, it's *not the model itself that addresses the problem but the people utilizing it* that can, do, and will address it. Ultimately, *they* decide the form in which they might wish to employ the model's features according to their best judgments in common.

Yet, SeD (overall) cannot work unless other deeper and wider problems in economic life are also dealt with. Foremost among these problems is the matter of money. As long as money is seen as being a specific quantity of “stuff” by which other stuff may be exchanged, and as long as an idea of monetary scarcity and a scarcity of goods is intellectually maintained, then no manner of SeD can help alleviate a society’s economic lopsidedness.

The fundamental problem of economic lack and gain is not one of distribution of financial and material goods; it’s one in which money itself is viewed, not as operative means to obtain goods and services, but as a limited quantity of goods themselves – material media of exchange – which are only so plentiful and only can procure for people only so many things. However, if money is ultimately virtual and can be created and replicated by such social entities as governments and central banks at their whim, then it is no longer stuff in itself but the imagined value we’re willing to arbitrarily and conventionally assign on a set of goods. To use a metaphor, money no longer is about a material substance; it’s about the dynamic function and the capacity (power) by which value is assigned to things and by which such material things are exchanged. It’s no longer about a scarce [and, therefore, as such][a] precious commodity; it’s about the level of “value” or “credit” we’re willing to assign to material things.

So, why not then, for instance, move to an alternating “credit”/barter economy⁴ as one suggested course of action instead of keeping the off base one we have got now ... and then just tacking on a re-distributive system of wealth sharing on top of that? And, why not (instead) start off by democratically determining a fairer, more equitable money system by which we would exchange goods.

It would make perfect sense. To not do so would be to rearrange the pieces on the monopoly board without transforming the basic structure by which they’ve been set up and arranged unfairly; the impetus for maintaining the unequal distribution of wealth in a society would still exist. No amount, level, or form of Socioeconomic Democracy would alleviate this in and of itself. As long as the substance of such inequality remains (i.e., our currently devised money system of hard and soft currency where money/resources/wealth is seen as being scarce and therefore precious), then the drive for hoarding wealth from others for oneself will remain in place. However, changing the money system through SeD can remedy this problem. Both elements must be used in concert, not just SeD-styled redistribution (or allotment) of wealth and resources alone.

Another issue that must be taken into consideration (even though it is not a problem in itself) is the context and economic state in which the concept of “Socioeconomic Democracy” is framed. If one fails to keep in mind this setting through which SeD is employed to redress economic inequality, then it’s likely that the real problems and solutions of the dilemma will not be accounted for or truly dealt with. SeD does not exist in a vacuum. It is a normative, prescriptive theory with practical applications; and yet

that takes away nothing from its operant parameters in the greater World System. It still is subject like all economic models and phenomena to the structures/dynamics/functional flows of the long wave, hegemonic shifts, and objective frameworks by which trade/communications operate and cores/peripheries/semi-peripheries are formed. And, even though people (by way of SeD) can certainly influence and transform their economies for the better through its approach, this doesn't lessen the determination/influence of larger economic, social, civilizational, and ecological forces by which human events in finance, commerce, et al, happen as well. There is, in reality, a balance between Macro- and Micro-, Structure and Agency in human economic affairs. Solving the problem of inequality requires an eye for both levels. But, if SeD can't deal with these things, then it misses the boat and the true nature of material inequality in the world will go on [even should a people decide to 'share the wealth' among themselves completely and equitably, to establish a MAW and a UGI, and to re-configure the game board by which money/resources are distributed and (re-) allotted to people].

The malaise of the haves/have-nots has existed for a long time. And, various attempts to deal with it go back for centuries [some beyond the birth of the European ideology of Capitalism]. So we shouldn't be surprised that other prescriptive models like that of Marx's might also have some useful insights into the diagnosis and treatment of the inequality problem. Even so, SeD provides something new ... that is, a more efficient/effective means whereby the trouble is analyzed and solved. Therefore, again, we must look to a combinatory model. What insights can socialist thought and the tradition of the radical left - from Voltaire, to Rousseau, to Marx - augment the ideals/structures of SeD even as Socioeconomic Democracy provides the context by which such insights can better take root? Answering that question will allow our utilization of SeD to be more fruitful. But can SeD encompass within its boundaries such ideas and measures? ... That's the question. It may be open-ended enough to do so. Still, in light of the model's normative and analytical focus, the input of a macroeconomic vision and/or even other praxiological ones may be hard-pressed to globalize the model's vision enough to more effectively solve the problem of economic inequality. My advice: any future work that's done with this model, or others in line with it, should include a specific section (or sections) devoted to SeD's connection to other paradigms, whether they are praxiological or theoretical/epistemological in focus.

Then there's the issue of how the discrepancy between haves and have-nots formed in the first place and what its real causes were. We are compelled in this instance to examine the controversy over capitalism [ala *ReOrient*]⁵ versus Marxist (and other comparable socialist) critiques of the Modern Capitalist (World-) System. Why should that matter in a consideration of *Socioeconomic Democracy*? The reason is that one cannot either diagnose the problem of the unequal distribution of wealth or treat it if the raw evidence of the problem is caught up in faulty terms.

To some extent, SeD (like other models of its kind) must point back to the hoarding of capital and to the monopoly of “capitalism.” And, and soon as it does – as it almost must because it is a prescriptive model in the ongoing tradition of the genre <one that’s meant to better organize societies socio-economically and roll back the gulf between and extremely wealthy few and the poorer many><and as it is couched in assumptions deriving from the critical analysis of what is termed “capitalism”> – it runs the risk of so many other theories/models. It ends up basing its concepts in a phenomenon that may not exist, emerging from a historical movement in time that was more based in Eurocentric ideology than what actually happened from early modernity onward. Andre Gunder Frank’s work rightly points out the pitfalls of “mode of production” categories and “capitalism” (and perhaps, therefore, we should extend it to the idea of “capital” itself). Perhaps the way we’re looking at wealth and the discrepancy between those who have and those who don’t is incorrect as well.

The real world didn’t play out by the *script*⁶ of capitalist history; instead its structures, players, dynamics, and interludes acted according to a different one – the Asian-based, global World Systemic, economic script in which global, operative mechanism and not ‘capital’ moved human events on their way. Then and now such real-world structural elements are what give us our large-scale economic cycles and our societies’ economic inequalities. But, if that’s so, then the basis of unequal exchange and distribution of wealth may also be skewed in the way we are viewing and structurally analyzing them. To put it another way, we’re looking at these things in light of a “capitalist” X structure. They may be a (non-“capitalist”) Y. Would this make a difference? It would if we base our societal solutions or remedies upon such premises. In lieu of the macroscopic element I mentioned earlier in this essay <and mitigating factors whereby economic inequality and the re-allotment of wealth may be recast>, either SeD in its conceptual framework or the way a society uses it, could miss the target by which is sought a solution to the haves/have nots trouble. To solve this problem, theorists, policy-makers, and finally the people of a society contemplating the use of the model must make certain they keep in mind these nuances before putting in place a form of SeD that may not be correct for them or that doesn’t account for the qualifiers being raised here.

Now overall, *Socioeconomic Democracy* is an excellent book. Content-wise, idea-wise, and argument-wise, the work is certainly complete. Robley George does in fact make the case that the problem of economic inequality exists and offers a good template for addressing (and working to solve) it in terms of the theory of public policymaking. The model’s concepts and related principles are well presented, particularly those in the first half of the text (Chs. 1-5). Even the seemingly heavy information content that is showcased within the book is good. The chapters on UGI and MAW do a splendid job in detailing the particular forms of these concepts; and overall the text is excellent in spelling out the various sorts of alternatives to the SeD model. I find the discussions of the different kinds of UGI (such as GAI – Guaranteed Annual Income, GAI - Guaranteed Adequate Income, BIG – Basic Income Guarantee, UG – Universal Grant, NI – Natural Inheritance, etc.) to be especially informative in this regard. Also, under the MAW limit discussion, the consideration of how this societal-economic means is to be implemented

and used to gather up the surplus wealth in a society, the issue of distributing/taxing wealth, and source/benefit target of ‘welfare’ benefits is also well treated by George in this book. Maybe, it could have been better outlined and delineated as subject matter as is done in other content-based textbooks meant to survey/open topics to students and first readers of a field; still for the most part, one cannot criticize the author for not being complete. *Socioeconomic Democracy* is substantively comprehensive and then some.

The only textually-oriented criticism that could be made of *Socioeconomic Democracy* is one of purpose. What’s the *raison d’être* behind the book? It is more of one to present *theories* of redressing the gap in wealth between the rich few and the poorer many (types of UGI, MAW, etc.), is it more to present *model elements* by which a society can solve economic inequality, or is the book’s purpose more a *justification* for the model’s being presented in the first place? The answers to such questions are not all that clear-cut or as clear-cut as I’d personally like to see them. Such elements flow in and out of each other somewhat ambiguously. For while one passage is clearly “justification”, a ‘section’ later deals with the exposition of “subject matter” vis-à-vis theory on the distribution of wealth, and yet others a few pages later on deal more with the model’s concepts/principles/unit structures. And, this ends up leaving the book’s nature or purpose for being written somewhat undefined. My counsel in considering it as a whole, therefore, is for the author and/or others to develop some secondary texts from it that more devoted to the model’s implications, policy alternatives blossoming out of the SeD system, the model’s relation to other economic theories and phenomena, and specific comparisons of it alongside other normative theoretic models dealing with the problem of the unequal distribution of wealth. By doing that these problems from the book can and will be alleviated.

The book is readable; however whether it could have been more rightly split into a few different books remains open. Nonetheless it is well worth the study by scholars, students, and laypersons seeking to understand and repair the damage done by economic inequality in the distribution/allotment of wealth within societies.

Endotes:

¹ George, Robley. *Socioeconomic Democracy: An Advanced Socioeconomic System*. Westport: Praeger Publishers, 2002.

² This model is clearly indicative of a calculus, which is why I've chosen to alternately call MAW/UGI the "superior" and "inferior" limits of the SeD model. They represent, after all, the top and bottom of this *functional* economic system with the actual dynamic or process located in the activity of the society's people democratically determining the parameters of how much they and their fellow citizens can and can't have in terms of allocated/guaranteed wealth, monetarily and materially speaking. SeD ensures people wouldn't either be gaining too much money/too many things <to the loss of others' basic needs and wants> or too little <to their own loss, subsistence-wise, or even to the detriment of their own life's aspirations and fundamental comforts to live and maintain a basic lifestyle>.

³ For the discussion of "quantitative democracy", please see pages 112 to 122 of Chap Four, Sec Three. Key to this discussion is a comment on page 121: "With Socioeconomic Democracy, the described *quantitative democracy* democratically would be employed by society to set both the upper bound on allowable personal wealth and the lower bound on universal guaranteed personal income." In other words, SeD is employed in what could be called a demographic numbers game in regards to the collective populace of a society through their political, electoral vote in the process of this economic system.

⁴ An alternating "Credit"/Barter Economy: An economic system in which two economic modes, instead of one characterize the financial, et al, transactions of a society. Instead of a standard "money" system where a material 'medium of exchange' constitutes one's currency, and paper notes constitute an abstraction from that, this alternate economy I'm suggesting here is one based on material exchanged for like material (primarily), and then (secondarily), where required, material goods can be procured through the transaction of informational "value" people consensually would place on material goods. In other words, through the Internet and other "electronic" means, a consistent, continual circulation of such "credit" would be maintained [working like stocks in a stock market] and as necessary, meted out for people by the society and its representatives in government and applied against items for their allocation by people, all this democratically decided-upon by a society's members in QD fashion ala SeD. This "credit" would function in ways similar to those economic/monetary systems idealized on science fiction type programs of future societies like those of Star Trek and Babylon 5. This is not to glorify fictitious systems of thought, but rather to suggest an possible alternatives for our monetary/economic systems to function [no matter how 'far fetched' we might see them as being]. The task at hand would not be to merely write such systems off as being fantastic and unreal but instead to show why they wouldn't work and couldn't be real and then to propose the better, more functional alternatives to what we have now and other standard money systems/transactional systems in use [presently or historically in human events].

⁵ Frank, Andre Gunder. *ReOrient: Global Economy in the Asian Age*. Berkeley: University of California Press, 1998.

⁶ By bringing up the matter of "scripts" here, I am showing a connection between SeD and John Landon's Eonic Effect (Landon, John C, *World History and the Eonic Effect*, Xlibris , 1999). Now the basis of capitalism in history would mean a particular kind of sociology played out in world human events – one that would have centered itself in Europe and under specific economic modes that have been detailed both by "Capitalism's" champions and detractors. Yet if the real history of the world played out by other means, a China-centered, Asian World economy of global trade and commodity/money circulation, then the capitalist "script" is done-in, its agencies are undermined, and any other system of thought rooted in the discussion of capital and capitalism is rendered meaningless. Socioeconomic Democracy – and models of its type – must be based in the foundation of capital and capitalism as the roots in the unequal exchange/distribution of wealth. But if that paradigm is incorrect - and (through it), the means by which

individuals and societies made history {their own “free action scripts” in history}, is also skewed – then the way in which we would attempt to redress the dilemma would not be workable. SeD, as a solution or treatment for the problem of the haves/have nots cannot work if its premises <for how economic inequality developed in the first place> are wrong. Ergo, two objectives must be pursued. (1) The basis of unequal exchange/ distribution of wealth - in an other-than-capitalistic historical sociological system - must be considered anew by economic thinkers [[what’s been done and is being done ala scholarship in books like AGF’s ReOrient]] (2) And, based on this re-conceptualization, normative theoretical systems like SeD <for working to deal with economic inequality> must also be modified to conform with the principle means by which history actually occurred. For, as the cliché has it, “for lack of the pin, shoe, horse ... the war was lost. It makes a big difference to our social and economic solutions if the problems we diagnose are framed in faulty terms.