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Individualism and Morality in the Post-communist Capitalism

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Abstract

Today, there has been an increasing interest in the likely existence of a moral capitalism, which is able to combine the capitalist’s own interest with the public good. In fact, real capitalisms could be positioned on a scale with the wild capitalism at one end and the moral capitalism at the other. This debate is even more important and topical in the former communist countries, which want to implement a capitalist economic system and which, unfortunately, are faced with extreme forms of wild or crony capitalism. On the other hand, the capitalist system involves individualism as its underlying ideology. However, individualism is far from being a unitary ideology; rather, it is more appropriate to discuss individualisms. For instance, the post-modern society has imposed the hedonistic individualism, which constitutes the foundation and drive of consumerism. In the communist regimes, which are officially connected to a collectivist ideology, forms of a survival individualism appear as a perverse effect of the economic, political, and social context, which continue even after the fall of communism. However, the deep vein of individualism, which has certain humanistic characteristics, is not in opposition to the moral capitalism; on the contrary, it sustains it. In the former communist countries, which are still in the process of building and consolidating their new political and economic system, the influence of these individualisms is deeply felt and they generate and manifest various and often contradictory forms of capitalism.

Keywords: individualism; survival individualism; moral capitalism; crony capitalism.

1. Introduction

This paper aims to analyse some aspects of the relationship between individualism as an ideology and the likely existence of a moral capitalism, which is able to combine the private with the public interest in the former

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communist countries that replaced the economy on order with a market capitalist economy. The starting point of our analysis is the observation of the situation in Romania today.

2. Ethical perspectives on capitalism

First, we need to clarify the way in which we approach the relationship between the ethical and the economic in capitalism. According to the way they approach this relationship, different thinkers, economists, sociologists, and ethicists situate themselves closer or further away from two extreme positions. One of the extremes may be represented by Max Weber, who, in his book *The Protestant Ethic and the Spirit of Capitalism*, considered that the ethics of puritanism could considered a strong lever for the expansion of that concept on life, which the great German sociologist called “the spirit of capitalism” (Weber, 1993). At the other end, for instance, André Comte-Sponville (2004), who claims that, in fact, capitalism can be considered neither moral, nor immoral could be situated. The French ethicist talks about the existence of four types of order: the economic, technical and scientific order; the political and judiciary order; the moral order; and the order of love. They must not be mistaken for one another. In this case, capitalism cannot be judged as moral or immoral, but rather amoral, e.g. alien to the moral order.

The ones who accept the idea that capitalism as an economic system can also be analysed from a moral point of view situate themselves on different grounds. Some consider that capitalism can be anything but moral. Along this line of thought, we should mention the utopian socialists first and foremost. In his well-known work *Qu’est-ce que la propriété*, published in 1840, Pierre-Joseph Proudhon (1840) wrote that “la propriété c’est le vol.” Although a critic of Proudhon, Karl Marx maintains the same attitude towards capitalism. Situating himself in the position of the proletariat, he considered that this economic system meant exploitation, alienation, and inequality. “The worker becomes all the poorer the more wealth he produces, the more his production increases in power and size” (Marx, 1968), and, further on, “Private property is, thus, the product, the result, the necessary consequence of self-alienated labour” (Marx, 1968).

Others, as Stephen Young, for example, consider the possible existence of a moral capitalism, which presupposes a “large as possible zone of interpenetration between virtue and private interest” (Young, 2009). Moreover, under the circumstances of our times, such a form of capitalism would be the only one capable of ensuring both the maintenance and development of capitalist companies and acquisition of profit.

3. Types and forms of individualism

Beyond these conflicting positions regarding the morality of capitalism, it is generally accepted that individualism as a world view is connected to the birth and evolution of capitalism. However, we need to make it clear that the concept of individualism refers to a very diverse reality. Individualism takes various forms. For instance, Steven Lukes spoke of political, economic, ethical, religious, epistemological, and methodological individualism (Lukes, 2006). Pierre Birnbaum and Jean Leca mention a number of individualisms: romantic, market, juridical, ethical, sociological, and epistemological (Birnbaum & Leca, 1991).

Individualism as an ideology and foundation of economic and political thinking has been imposed by the modern times. The English classical economists considered that the accomplishment of the individual and his/her interests in the economic life with as few limitations and as limited intervention of the state in the economic life as possible can ensure the individual and collective well-being. They believed that the “invisible hand”, to use Adam Smith’s metaphor, acts for the aggregation of individual interests in view of realizing collective interests. In the political area, individualism has been connected to the citizens’ political participation and respect for human rights. It has also had a crucial role in the continuous democratization of society. This type of individualism imposed by the modern economists and philosophers was named “possessive individualism” by C.B. Macpherson. From his perspective, “society is reduced to an aggregate of free and equal individuals, linked to one another in that they are owners of their abilities and of what these abilities have allowed them to acquire” (Macpherson, 1971).

The utilitarian individualism, with special reference to the one promoted by Herbert Spencer in *Principles of Sociology* (Spencer, 1891) and *The Man Versus the State* (Spencer, 1996), slips towards the theorization of social egoism and towards social Darwinism. The accentuation of the role of the individual, the absolutisation of his/her
liberty, and consideration of egoism as a starting point of society simply push Spencer’s theories towards the zone of extreme individualism. This is obviously exaggerated and offers arguments for the criticism of individualism. One of Spenser’s profound critics is Émile Durkheim. His objectives are similar to those of the English sociologist, e.g. to show the difference between traditional and modern societies, to bring to light the mechanisms of social solidarity that make possible the existence of these societies, and to show the role the division of social labour plays. In spite of criticising Spenser’s extreme individualism, and being considered a supporter of collectivism from the epistemological perspective, Durkheim is, first and foremost, the advocate of a type of individualism called “paradoxical” (Jankélévitch, 2002). In an article from 1998, he revealed himself as a supporter of a certain type of individualism: “celui de Kant et de Rousseau, celui des spiritualistes, celui que la Déclaration des droits de l'homme a tenté, plus ou moins heureusement, de traduire en formules, celui qu'on enseigne couramment dans nos écoles et qui est devenu la base de notre cathéchisme moral” (Durkheim, 2002). Such individualism does not derive from egoism but from sympathy for people in general.

The economic, social, and political evolutions in contemporary societies seem to be connected to a new type of individualism. Gilles Lipovetsky spoke about “une deuxième révolution individualiste” (Lipovetsky, 1983). What characterises this individualist revolution is a process of personalization, which “a promu et incarné massivement une valeur fondamentale, celle de l'accomplissement personnel, celle du respect de la singularité subjective, de la personnalité incomparable” (Lipovetsky, 1983). Hedonism and narcissism are the traits of this new “total” individualism. It is not our scope to discuss the consequences of such a type of individualism on one’s personality and society in general, and on the individuals’ participation to social life. Undoubtedly, it tends to encourage not only personal self-achievement, but also egoism. In view of this individualistic revolution unfolding within the globalization process, “total” individualism supports “the globalization of nothing” (Ritzer, 2010). Reasons connected with profit increase cause this type of individualism to be widely promoted, and consumers’ hedonistic temptations and consumerism to be stimulated. This results in the manifestation of capitalism, where the private interest hides the public interest almost completely, which makes this form of capitalism “immoral”, in our terms. Unfortunately, such individualism could open an “age of void” (Lipovetsky, 1983). Its impact is not wholly negative. It also has a positive facet associated with the process of the individual’s continuous emancipation. From a human standpoint, this emancipation signifies a tri-dimensional victory “of autonomy, authenticity, and of hedonistic allegation” (Fitoussi, Rosanvallon, 1999). This is about “individualization-emancipation”, which is unfortunately paralleled with “individualization-fragilization”.

Starting from the model of the emancipated individual that capitalism promotes, François de Singly demonstrates that individualism can truly be considered a form of humanism when some philosophical, social and political conditions are realized. (Singly, 2005) This humanist streak of individualism can constitute an ideological support for the development of the moral capitalism that Stephen Young was referring to, in the same manner as Spencer’s extreme individualism, which is circumscribed by social Darwinism, and actually lies at the foundation of the wild capitalism.

Before briefly reviewing the forms of individualism manifest in the post-communist societies, we should start from a broad definition of individualism. Louis Dumont proposes such a definition. In his view, individualism is “une idéologie qui valorise l'individu et néglige ou subordonne la totalité sociale” (Dumont, 1983).

4. Individualism in the post-communist society

Post-communism, the period following more or less violent anti-communist revolutions mainly in the Eastern European countries at the end of the 20th century, is still a phenomenon that still stirs theoretical disputes and debates. However, some of its traits have already been established. Firstly, they were an act of rejection of the communist system, both under its economic and political aspects. This rejection was not accompanied by a pre-existent model of action that envisages the new society to be built, by an ideology, or by a doctrine of transition from communism to a different type of society. The rejection of communism is accompanied by the desire to implement a market economy and democracy as the sole alternatives to a demand economy and totalitarian political regime. A somewhat common belief is that both the capitalist market economy and democracy are the only ones that can ensure an increase of the living standard and the quality of life. Although both the political leaders and the
common citizens invest high hopes in this change, sometimes, they combine these hopes with widely exaggerated expectations. The complexity of the necessary changes in the political life and especially in the economic one, the lack of a model, the leaders’ insecurities and hesitations towards adopting certain reforms (Romania is a perfect example in this respect), the fact that the new political and economic systems have had to be implemented with individuals who are still affected by the totalitarian regime, and the global economic crisis that, unfortunately, started during this transition period, resulted in the post-communist achievements being more or less further away from expectations. Consequently, a general feeling of dissatisfaction and a lack of confidence in the future have emerged.

Following the ideological pressure over the entire society during the communist totalitarianism, post-communism is characterised by an ideological void (Holmes, 2004), in the sense that there is no longer a dominant ideology, whether official or not. Even more, there is a form of refusal of political ideologies or doctrines of any kind. It is this kind of terrain where extremely diverse and often-contradictory views of the world have sprung. Under these circumstances, the place of individualism in this post-communist world should be questioned.

We consider that we are dealing with a number of forms of individualism, which crisscross, sometimes completing or opposing one another. One first form that we are going to refer to is that which we have called survival individualism (Dascălu, 2012), a residue of totalitarianism, and a perverse offshoot of communist collectivism.

The communist totalitarian society is a declared collectivist one. The official ideology is collectivist and individualism is considered an ideological deviation that has to be repelled fiercely. Despite this, a perverse offshoot has appeared within this collectivist society: a form of individualism which is similar to social egoism and which allows the survival under the hostile totalitarian conditions. The generalized political fear imposed by the owners of the political power, a defensive mechanism of the regime, and the penury economy (Kornai, 1984), which is an economy that faces a scarcity of commodities, of means of production, of work force, and financial resources lead to a necessary alienation of the individual who has to deal with this situation on his/her own, permanently hiding from the others to try to achieve his/her own interests, which are mostly connected to survival. Naturally, this type of individualism does not disappear concomitantly with the fall of communism. Its residues can be found in the post-communist era as well. Moreover, the state of anomie, which is normal at the beginning of the post-communist period at least, encourages manifestations connected with this type of individualism.

Out of the penury economy, the inhabitants of the former communist countries rapidly adapt to the consumerist, hedonist, and narcissistic individualism of our times. In fact, it is considered that the temptation of unlimited consumption of goods and services in a society where they were scarce, as in the communist society, was one of the causes of the fall of communism. (Karnoouh, 2000) The mythology of a consumer society, which found its way more or less subversively inside the communist world almost devoid of services and consumption goods, has eroded its foundation and contributed to its fall. In post-communist era, the abundance of services and goods and the freedom to purchase them is, unfortunately, accompanied by the people’s limited financial sources, which is a source of permanent frustration.

After having lived in a society where the respect for the individual was minimal, where the party-state used all its economic, political, and cultural means to try to achieve a perfect “social homogenisation”, i.e. levelling an entire population to an amorphous mass of obedient subjects to the totalitarian power, at the fall of communism, the people discover or rediscover the human rights, the citizen rights, and the importance of personal success. We could say that they discover or rediscover the humanist views of individualism and adhere to them.

In post-communism, political participation gradually acquires democratic valences; it is a participation of the free people, of the individuals that matter. Democracy involves an individualist view of the political. Eventually, the attainment of a market economy entails private initiative of people with individualistic thinking, who are capable of embarking on business enterprises and taking risks to obtain profit. The “possessive” individualism is thus revived on a political and economic field. It is obvious that these manifestations of individualism that have been discussed her, among many others not mentioned, gear the economy of post-communism towards more or less moral forms of capitalism.
5. Conclusion: The individualism and the morality of post-communism capitalism

Many labels have been used to characterize the post-communist Romanian capitalism, which many consider to be immoral to a great extent. “Wild capitalism” is one of them. This term was created in the 1880’s and defined not only the flourishing of the industrial revolution period of the 19th century (a period dominated by social inequalities, in which the state assumed minimal duties as far as the functioning of the economy was concerned), but also the seventh decade of the 20th century, when we witness a certain revival of the neo-liberal policies, a limited intervention of state in economy, and ever deepening social inequalities. After 1990, this term has been used to define the post-communist economies, which are characterized by rapid and massive liberalization, by the lack or the inefficiency of the state intervention in economy, by corruption, and significant social movements of protest. It could be considered a less moral, or even immoral, form of capitalism because, in such a system, the private interest takes precedence over public interest. The insufficient judicial regulation of the economic life, the relative state of anomic that rules after the fall of communism, and the inefficiency of the Rule of Law in the former communist countries, account for the possible emergence and development of this form of capitalism. Ideologically, the wild capitalism seems related to Spencer’s individualism, or to his social Darwinism. In the former communist countries, we think that, innately, it is also supported by the traces of the survival individualism, which blend with the ideas of classical economic liberalism and even dominates them.

The term “crony capitalism” has also been used, and, with a Romanian twist it has become “in-law capitalism”. (free translation) This is a “quasi-capitalism, based on nepotism, where the economic relationships are favoured by family alliances” (Young, 2009) or on subordination relationships of the Mafia type. Initially, the term was used to characterize the economies of some developing countries in the latter half of the 20th century. After 1990, it seems to have become a reality that is characteristic of some post-communist transition economies, profoundly marred by corruption. Obviously, we can discover the influence of survival individualism and the Spencerian radical individualism besides the mark of corruption and of some traditional group structures.

To characterize the post-communist Romanian economy, Cătălin Zamfir advanced the term “prey economy”, namely “an economy in which the profits are not gained through performance, but through looting the resources of state property, of the budget, and of the mass of consumers”. (Zamfir, 2004)

Beyond these labels, in the post-communist countries, it seems obvious that capitalism, the objective these countries aim to achieve, takes different forms of immoral capitalism, which makes the transition and the functioning of their respective economies more difficult with more negative consequences on the consumers. Among the factors that allow the appearance and development of these immoral manifestations of capitalism, we need to consider some forms of individualism, as well. Yet, this does not mean that individualism must be condemned in its entirety. At the same time, we should not forget that individualist thinking supports the capitalist economy. It is true that the forms of manifestation and the consequences of the immoral capitalism seem more pronounced in the post-communist economies, but we should not overlook the fact that they also appear in the developed capitalist economies. According to some, the latest economic crisis is due to the immoral practices of the mega capitalist corporations.

Through its humanist valences, individualism can support the emergence and development of a moral capitalism. This is a desideratum, a valid expectation of the former communist countries and, equally, of the developed capitalist countries.

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