



LIZ COULBOURN

Politics

What Is Democratic Socialism and Why Is It Growing More Popular in the U.S.?

Bread and Roses is a series exploring the growing interest in socialism among young people seeking alternatives to recovery in this pivotal moment in global history.

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MAY 1, 2020

Socialism: It's back. Left for dead after the Cold War, **revived by Bernie Sanders's** 2016 and 2020 presidential bids, and **popularized by social media superstars** like Representative Alexandria Ocasio-Cortez (D-NY), the concept has gone mainstream. According to a **2018 Gallup survey**, 51% of Americans age 18-29 have a positive

opinion of socialism, as do 57% of Democrats. And the COVID-19 pandemic has lent new urgency to **discussions** about creating a more fair and equitable economic system.

Of course, not everyone's a fan. Count President Donald Trump among the holdouts.

“Here, in the United States,” **Trump declared** in his 2019 State of the Union address, “we are alarmed by the new calls to adopt socialism.... Tonight, we renew our resolve that America will never be a socialist country.”

Many Americans side with Trump in rejecting socialism. Despite its increasing popularity among younger Americans and Democrats, **socialism remains broadly disliked**, especially by Republicans and seniors.

So who's right? That's for you to decide. But first you need to know some basics. What *is* socialism, anyway? Coming up with one all-encompassing definition of socialism throughout the ages is impossible. But here's some background on what modern socialists in the United States are discussing and arguing for.

What is democratic socialism?

Jeff Bezos, founder and CEO of Amazon, is really rich. Like, **\$120 billion rich**. Bezos's money doesn't just buy him fancy stuff, such as his **new \$165 million Beverly Hills mansion**; it also gives him real power.

Ask yourself: Who controls the American economy? Who calls the economic shots? Ordinary working people, or wealthy capitalists like Bezos? The answer is the latter. Under capitalism, key economic decisions are made not by all members of society but by the very richest members — those wealthy businesspeople who own what **Marxists** call the “**means of production**.”

Consider Amazon's **recent decision to build a second headquarters**. This was a big opportunity for cities across the country; winning Amazon's “HQ2” would potentially mean **50,000 new jobs and \$5 billion** in local investment.

It's no surprise that **over 200 cities** submitted bids, each scrambling to assemble the most business-friendly package of tax cuts and other perks. Amazon eventually **awarded HQ2 to northern Virginia**, an already prosperous area. The fact that other regions, like Detroit, **stood in greater need** of economic development didn't matter.

From the socialist perspective, this example perfectly illustrates capitalism's core flaw: its **profoundly undemocratic nature**. Under capitalism, we don't make economic decisions collectively. We don't decide together where 50,000 new jobs should be created, or \$5 billion in capital should be invested.

Instead, rich capitalists like Bezos can do what they like with the means of production. After all, it's their property.

Socialism — in its modern, democratic form — aims to turn this picture on its head. Rather than allowing a tiny elite to call all the economic shots, modern socialism wants to empower ordinary people **to make these decisions collectively**. Under democratic socialism, major industries and large corporations would be brought under social ownership and control.

Would the state then own everything? No, for two reasons.

First, democratic socialism targets only the economy's "**commanding heights**" — think Walmart and other Fortune 500 corporations — not smaller-scale productive properties like your local pizza place. **Nor does socialism have any beef with personal property**: Socialists don't want to collectivize your toothbrush, your iPhone, or your **Nintendo Switch**.

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Second, democratic socialists seek “public” or “social” ownership of the economy, which is not necessarily the same thing as “state” ownership. Although state ownership is certainly an important mechanism in the democratic socialist tool kit, **it’s definitely not the only one.**

As American socialist **Michael Harrington puts it**, social ownership means “the democratization of decision making in the everyday economy;” it’s a “principle of empowering people at the base, which can animate a whole range of measures” beyond state ownership — “some of which we do not yet even imagine.”

It’s in this “empower the base” spirit that democratic socialists have proposed measures that have nothing to do with state ownership, per se. These include measures like: **"workplace democracy,"** which gives workers rather than bosses control of their workplaces; **"participatory budgeting,"** which empowers ordinary citizens to direct their city’s spending, e.g., on parks rather than prisons; and **"universal basic income,"** which, by giving each person a no-strings-attached check each month, **increases everyone’s “real freedom”** to pursue what really matters to them.

To modern socialists, then, **socialism means "economic democracy."** Across the globe, 18th- and 19th-century radicals overthrew monarchs **like the United Kingdom's King George III**, replacing political dictatorship with political democracy. Socialists say that we should complete what these revolutionaries started; we should dispossess our *economic* monarchs like Jeff Bezos, thereby replacing what many view as **economic dictatorship** with **economic democracy**.

What democratic socialism isn't

This definition of socialism as economic democracy will surprise many people. It is at odds with three popular but deeply mistaken ways of understanding modern democratic socialism.

The first **confuses democratic socialism with statism**; it says that socialism just means state control of the economy, even if the state in question is profoundly undemocratic. This view regards dictatorships like the Soviet Union, Venezuela, and North Korea as socialist, precisely because they achieved total state control over the economy. But many would argue that these examples are not at all socialist; contemporary socialists believe that socialism requires robust political and economic democracy — the very antithesis of these authoritarian regimes.

A second mistaken conception of democratic socialism **conflates socialism with social democracy**; it says that countries like Denmark and Sweden, which tax citizens heavily and spend generously on social programs like unemployment insurance, education, and health care, are socialist. (Arguably, this is the conception of socialism advanced by Bernie Sanders, who, when pressed to explain what he means by socialism, **tends to refer to northern European countries** with ample social spending supported by high levels of taxation.) But **socialism isn't, at root, about taxation or social spending**; it's about who controls the means of production. You can't prove that a country is socialist by referring to its tax rate or unemployment benefits.

That said, at least one of the Nordic countries — Norway — **probably does deserve to be called socialist**. Again, this is not because of its taxing or spending, but because of its ownership profile: According to an analysis from the People's Policy Project, the

Norwegian state (which is highly democratic) owns **over 60% of national wealth**, and **over 76% of national non-home wealth**.

A third mistaken conception of democratic socialism assumes that socialism must oppose not merely private ownership of the means of production, but **also markets and profits**. Under this conception, socialism seeks to replace *market production for profit* (e.g., Walmart makes socks in order to make money) with *planned production for use* (e.g., government planners tell the sock factory to make socks because people need them).

Admittedly, most socialists in the past, especially those in the Marxist tradition, did conceive of socialism in this anti-market way. But many **contemporary socialists**, influenced by the **economic and moral failures** of centrally planned economies like the Soviet Union's, tend to **accept some role for markets and profit seeking** in their socialist visions. What they call "**market socialism**" attempts to combine the **economic democracy of socialism** with the most functional parts of capitalism.

Arguments against socialism

Socialism has attracted **fierce and wide-ranging criticism**. Below are some of the more important objections.

First, thinkers like Nobel-prize-winning economist **Milton Friedman** have argued that **socialism is incompatible with political freedom**. They say it's incredibly dangerous to concentrate economic power in the hands of the state. State ownership of the economy leads, inevitably, to political tyranny. Just witness the atrocities committed by socialist states like the **Soviet Union, Vietnam, and North Korea**. (Of course, socialists do not agree that these are actually socialist states; see above.)

Second, economists argue that anti-market forms of socialism — those that rely on planners rather than the profit motive to direct production — are **sluggish, inefficient, and bad for innovation**. Planning leads to bread lines; markets lead to Tesla and smartphones. (Socialists will point out that this objection does not apply to market-friendly forms of socialism.)

Third, some philosophers argue that socialism's emphasis on economic equality is misguided. **Economic inequalities are not in themselves objectionable.** Provided that everyone has *enough*, **who cares if some have more than others?** As long as capitalism gives everyone a decent standard of living, we shouldn't worry about its **tendency to create vast economic gaps**, or so **these philosophers contend.**

Fourth, some philosophers argue that economic democracy is not actually desirable. **Democracy, whether political or economic, is risky.** Uninformed participation can make things worse. Do we really want ordinary workers controlling the economy? On this line of thought, they assert, perhaps it's better to leave important decisions to experts.

Arguments for democratic socialism

Socialists have offered **many arguments** for socialism. Here are some of the most important.

First, they argue that socialism is **much more democratic** than capitalism. It empowers ordinary people, not just rich owners, to make economic decisions.

Second, socialism would harness our collective wealth to meet everyone's basic needs, or so its advocates maintain. No longer would some people be fantastically rich while others are reduced to begging in the street. Key needs like food, shelter, health care, education (including college), and retirement support would be "decommodified" — **provided to all, regardless of ability to pay.**

Third, supporters argue that socialism would greatly reduce the stark inequalities of income that we find in capitalist countries like the United States, where **CEOs are compensated at up to 278 times the rate of average workers**, as one recent Economic Policy Institute study found. In the **Mondragón cooperatives** in Spain, which are **owned and controlled by their workers**, the ratio between highest- and lowest-paid is closer to 5:1.

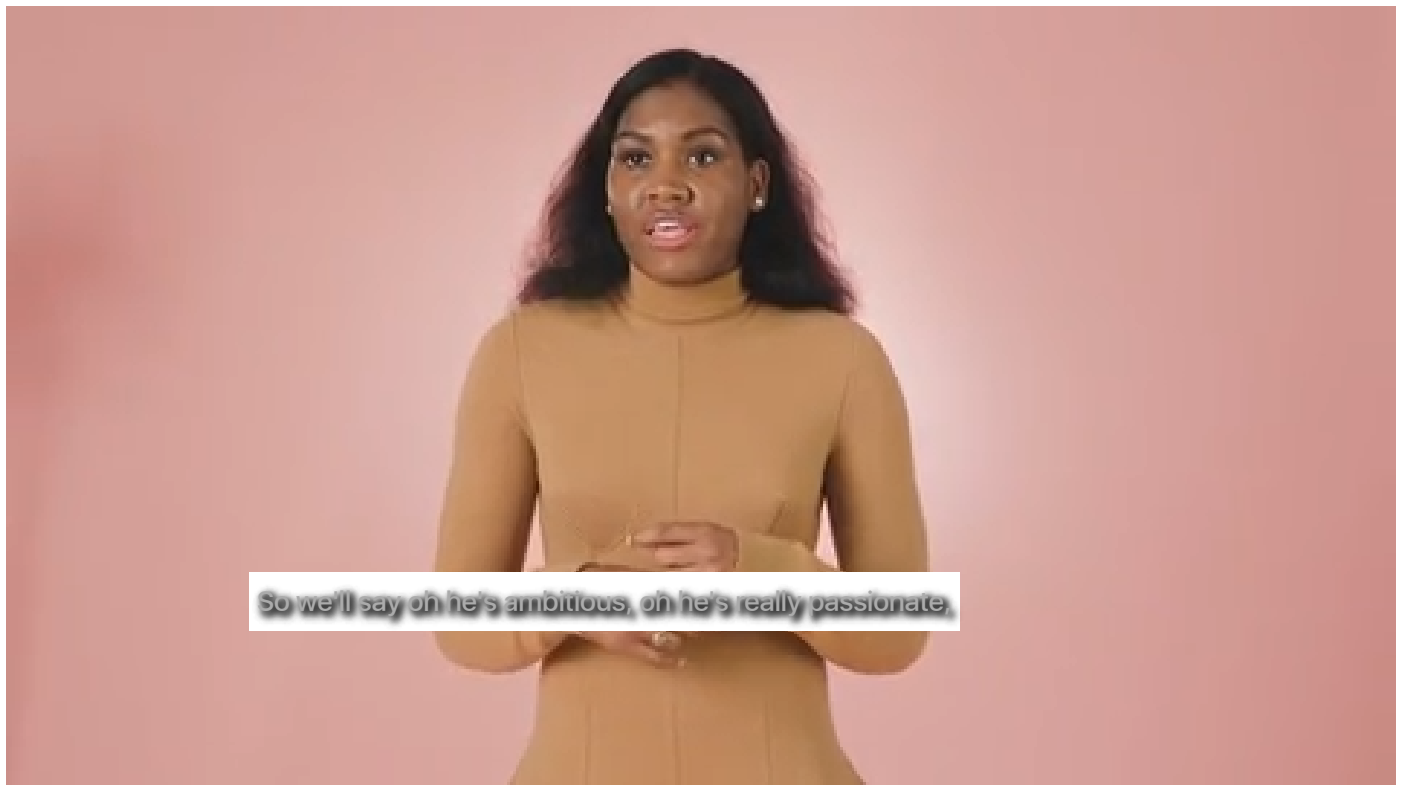
Fourth, socialists argue that their economic system would eliminate the massive wealth inequalities found in capitalist countries. Under capitalism, the economy's commanding heights **are owned by a small elite.** Under socialism, ownership of major

means of production **would be dispersed and democratized**, or so advocates contend. The result, socialists claim, is a radically egalitarian, classless economy — an economy in which everyone is an owner.

Finally, socialists argue that by relaxing (if not completely eliminating) the demands of profit-driven economic competition, socialism opens space for a **more cooperative**, humane, **less alienating** economy that treats workers as people rather than disposable inputs.

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