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Political Ideologies and their Relationship to Capitalism and Democracy

Special Issue: Introduction

The development of democratic ideas and practices as well as of industrial capitalism from the eighteenth century to the present day was closely associated with the emergence of range of political ideologies. In this special issue we deal with liberalism, social democracy, communism, and fascism. There have been other ideologies, of course, e.g. conservatism, anarchism, feminism, ecologism, Islamism, populism, nationalism and racism, just to mention a few obvious ones.¹ The very term “ideology” is often traced back to the time of the French Revolution, when Antoine Destutt de Tracy used it to outline a scientific way to examine ideas.² Ideology can indeed be described as a child of reason, as it is rooted in French Enlightenment belief in the human faculty to examine everything rationally and systematically. Those opposed to the Enlightenment and its ideals introduced a more pejorative understanding of ideology highlighting its relationship to political doctrines that were utopian, dogmatic and totalizing in nature.³ The pejorative use of “ideology” was picked up by Karl Marx in his *The German Ideology*, in which he criticized philosophers, specifically the Young Hegelians, for only interpreting the world but not seeking to change it. Ideology was thus related to lack of efficiency, absence of reality and the espousal of illusory schemes. Later on, Marx and Friedrich Engels would not tire to contrast the allegedly scientific nature of their own thought with what they dubbed “bourgeois ideology.”⁴ Yet ironically the followers of Marx and Engels made Marxism into an ideology and referred positively to socialist ideology as underpinning socialist political movements. For the Marxist Antonio Gramsci, ideologies were important in making certain bodies

- 1 A rich discussion of the many facets of political ideologies can be found in Michael Freeden, Lyman Tower Sargent and Marc Stears, *The Oxford Handbook of Political Ideologies* (Oxford: Oxford University Press, 2013).
- 2 Emmet R. Kennedy, “‘Ideology’ from Destutt de Tracy to Marx,” *Journal of the History of Ideas* 40, no. 3 (1979), 444–503.
- 3 Jay W. Stein, “The Beginnings of ‘Ideology’,” *South Atlantic Quarterly* 55 (1956), 163–170.
- 4 Martin Seliger, *The Marxist Conception of Ideology* (Cambridge: Cambridge University Press, 1979).

of ideas “hegemonic” vis-à-vis other bodies of ideas thus legitimating particular power structures or challenging them.

Karl Mannheim’s 1936 study *Ideology and Utopia* amounted to a comprehensive attempt to provide a theory of ideology. Distinguishing between “particular” and “total” conceptions of ideology, he highlighted how some ideologies, including Marxism, amounted to a complete world view of everything.⁵ During the Cold War, many liberal thinkers referred to ideology as only consisting of such totalizing bodies of theory, in particular communism and fascism, conveniently put together under the label of totalitarianism. The idea of an “end of ideology”⁶ referring to the victory of liberalism over fascism (real) and communism (anticipated) was, however, itself ideology, liberal ideology, which Michael Freeden has described as the “dominant ideology” in the modern era.⁷ Liberal political philosophy posited that pluralistic politics was the mirror opposite to totalizing ideologies, which were, according to Michael Oakshott, always based on forms of “abridgement” of social reality.⁸ Such abridgments led to the construction of binary worlds of good and evil, where the former was exclusively associated with one’s own ideology.⁹ The political science and sociology literature on “ideology,” usually differentiating between “science” and “ideology” was nearly endless during the Cold War, and after its end liberal triumphalism came back prominently, especially with Francis Fukuyama’s 1992 publication of *The End of History and the Last Man*.¹⁰

However, under the impact of the new intellectual and conceptual history, more complex conceptualizations of ideology have appeared seeking to analyze ideologies as “complex structures of discourse which carry immense amounts of inherited, interwoven intellectual baggage, often increasing by the year. Every ideology is therefore a conjunction of intellectual hybrids.”¹¹ Arguably few scholars have done more in re-orienting the study of ideologies away from understanding them as impoverished, simplified, and doctrinaire forms of political philosophy than Michael Freeden. His work instead emphasizes how it makes more sense to understand ideologies as “forms

5 Karl Mannheim, *Ideology and Utopia* (London: Routledge, 1997).

6 Daniel Bell, *The End of Ideology: on the Exhaustion of Political Ideas in the 1950s* (New York: The Free Press, 1960) argued that classic nineteenth-century ideologies, in particular Marxism, had come to an end and would be replaced by common-sense technocratic and rational solutions to political problems.

7 Michael Freeden, *Ideologies and Political Theory: A Conceptual Approach* (Oxford: Oxford University Press, 1996), 139–316.

8 Michael Oakshott, *Rationalism in Politics and Other Essays* (Rutherfordton, N.C.: Liberty Press, 1991).

9 Ken Minogue and Alien Powers, *The Pure Theory of Ideology* (New York: St. Martin’s Press, 1985).

10 Francis Fukuyama, *The End of History and the Last Man* (New York: The Free Press, 1992).

11 Andrew Vincent, *Modern Political Ideologies* (Oxford: Blackwell, 1992), 18f.

of political thought that provide important direct access to comprehending the formation and nature of political theory, its richness, varieties and subtlety.”¹² Studying ideologies, according to Freeden, is tantamount to exploring political philosophies. Ideologies are thus, like political philosophy, necessary to make sense of the political world around human beings. They tend to be based on values to which those adhering to them, subscribe to. Individuals cannot but receive, adapt, and espouse different ideologies. They have to relate their own beliefs to them and identify partially or wholly with them. They thus become ideologists themselves. In other words: ideologies are inscribed into the very fibre of the political.

What we pick up in this special issue is that many of the ideologies discussed here positioned themselves vis-à-vis the structures and justifications of industrial capitalism and of democracy as they emerged from the eighteenth century onwards. Liberalism is the oldest of those ideologies and it rested, above all, on critiques of absolutism and aristocratic privilege. Associated with ideas of constitutionalism, the rule of law, parliamentary and electoral reform, freedom of the press, reason, individualism, meritocracy and the development of a capitalist economy, its relationship to democracy remained deeply ambiguous in the nineteenth century, as many liberals tied demands for participation in the political sphere to education and property. They propagated a social exclusivism towards the lower classes that extended from the political to other lifeworlds, including the economic, social, and cultural.¹³ Hence it was social democracy rather than liberalism that was most strongly associated with the rise of mass democracy from the last third of the nineteenth century onwards. Intent on solving the “social question” that accompanied the rise of industrial capitalism in the nineteenth century, social democracy had high hopes that democracy would be the key to social reform ameliorating the worst excesses of industrial capitalism and liberating the working classes from their “enslavement” under capitalism.¹⁴ Communism was rooted as an ideology in the disappointment about what came to be conceptualized as “bourgeois” democracy and developed its own understandings of a “proletarian” democracy that under communism, however, looked like and felt like dictatorship. Opposed to capitalism, it associated “bourgeois” democracy with the defence of capitalism and the abolition of capitalism would, under communism, also necessitate the overcoming of

12 Michael Freeden, *Ideologies and Political Theory*, 1.

13 Jörn Leonhard, *Liberalismus: zur historischen Semantik eines europäischen Deutungsmusters* (Munich: Oldenbourg, 2001).

14 Ole Merkel is currently working on a PhD at the Ruhr University Bochum under my supervision, examining the opposition of the British and German labour movements towards slavery in the nineteenth century, and how both used “slavery” as a metaphor to understanding the conditions of the working classes in Britain and Germany respectively.

“bourgeois” democracy.¹⁵ Opposed to pitting social classes against each other, fascism instead emphasized the common interest of the nation and argued that nationalism and racism were the key motors of human societies. Democracy with its emphasis on a pluralism of interests expressed through diverse political parties, on parliamentarism and on the rule of law, was something that fascist ideology sought to overcome and replace with the interests of the people understood as all members of the national community. Everything, including capitalism, had to be subservient to the interests of that community.¹⁶

Much of our understanding of the trajectories of modern history rests on comprehending the relationship between political ideologies and their relationship to capitalism and democracy. Hence the four articles that make up this special issue explore key aspects of this relationship. Jörn Leonhard starts off with a warning not to equate too easily liberalism with capitalism. Instead, he argues that it was precisely a more flexible relationship between the two which made liberalism so resilient in overcoming a range of crises over almost three centuries to remain today an attractive political ideology in many parts of the world. Leonhard identifies four decisive transformative periods in the history of liberalism which, each time, made it adapt to different historical circumstances. At the end of the eighteenth century, liberalism developed a new understanding of the economy and of society more generally by introducing the idea of the market which was to transform estates-based societies. The key revolutionary idea expressed, above all, by Adam Smith was that pursuing individual interests could be brought into line with the common good.¹⁷ Endorsing capitalism as the economic system best suited for this squaring of the circle went hand in hand with developing ideas of constitutionalism that was to perform the same trick in the political sphere. The second transformation of liberalism, occurred, according to Leonhard, in the 1840s and 1850s when some liberals at least began to develop more critical attitudes towards capitalism. John Stuart Mill, for example, was deeply concerned about marking class barriers more porous, even if he still shied away from endorsing a more interventionist and welfarist state.¹⁸ The years around 1900 then saw a further intensification of liberal criticisms of capitalism. Lord Acton, the great historian of liberalism who never

- 15 On the delineation of different types of democracy, see the classic Artur Rosenberg, *Democracy and Socialism: A Contribution to the Political History of the Past 150 Years* (Boston: Beacon Press, 1965).
- 16 Richard James Boon Bosworth, *The Oxford Handbook of Fascism* (Oxford: Oxford University Press, 2010); a brilliant brief introduction can be found in Kevin Passmore, *Fascism: A Very Short Introduction* (Oxford: Oxford University Press, 2014).
- 17 Knud Haakonssen, *The Cambridge Companion to Adam Smith* (Cambridge: Cambridge University Press, 2006).
- 18 Christopher MacLeod and Dale E. Miller, *Companion to Mill* (Oxford: Wiley Blackwell, 2017), especially the essays in part V: *Mill's Social Philosophy*, 407–532.

managed to finish his magnum opus on the subject, bemoaned the missing ethical orientation of capitalism.¹⁹ In Britain the emerging New Liberalism²⁰ and the Progressive Movement in the United States.²¹ saw a decisive turn to a stronger and more interventionist state seeking to correct the faults of capitalism. It marked a social opening of liberalism that made possible alliances with democrats and social democrats in pursuit of social reform. The final major transformation of liberalism, Leonhard argues, occurred from the 1970s onwards, when consensus liberalism championed consensus capitalism that was meant to bring the interests of the capitalist economy in line with the interests of democratic mass societies through state action and social engineering. At this stage, it would appear to be very close to the second major ideology discussed here by Stefan Berger: social democracy.

If Leonhard emphasizes in his article that liberalism was not a static ideology but one that could be accentuated very differently over time and space and one which was capable of reflecting the costs of industrial capitalism, the same can be said for social democracy. Berger emphasizes how social democracy emerged in the nineteenth century, above all, as a movement for more democracy, political and economic democracy, and inclusion in the social and cultural spheres of respectable middle-class society. It was, above all, disappointment with the ongoing exclusion of social democracy and the working classes that bred disillusionment and resentment and made social democracy turn to revolutionary Marxism. The overthrow of capitalism still needed democracy, but what kind of democracy would be established once capitalism was overcome, remained a matter of debate among Marxist social democrats.²² The successful establishment of communism in the Soviet Union forced a division in social democracy, in which the social democrats renewed their commitment to democracy as dividing line to communism. The overthrow of capitalism by democratic means and the democratic shaping of the post-capitalist society of the future were basic tenets held by social democrats, even if the multiple crises of the interwar period, both economic and political, led to repeated self-doubts among social democrats whether the democratic path was the right one. Hence Berger underlines that it was only after the end of the Second World War and with the onset of the Cold War that social democracy shed the legacies of Marxism and committed themselves whole-heartedly to liberal democracy as the means to no longer overcome capitalism but to make it work for everyone, including the working classes. Whilst it appeared for a while as if social democracy,

19 Roland Hill, *Lord Acton* (New Haven: Yale University Press, 2000).

20 Michael Freeden, *New Liberalism: An Ideology of Social Reform* (Oxford: Oxford University Press, 1978).

21 Tim McNeese, *The Progressive Movement: Advocating Social Change* (New York: Infobase, 2008).

22 Soma Marik, *Reinterrogating the Classical Marxist Discourses of Revolutionary Democracy* (Delhi: Aakar, 2008).

in alliance with social liberalism would be capable of recasting capitalism in its image, the neoliberal challenge combined with attacks on social democracy's materialist progress orientation by sections of a postmaterialist left put social democracy on the defensive. Especially its ties to macro-economic steering, social engineering and an allegedly wasteful and counterproductive welfarism came under increasing critique. Social democracy had to reinvent itself and went through a phase of neoliberalization, which substantially weakened its brand, and further to a contemporary situation where it is very much searching for a new identity as a political ideology.

The fall of communism as an ideology that ruled half the globe during the period of the Cold War was widely celebrated as a triumphant moment both for liberalism and for capitalism. During the Cold War, the threat of communism had been an argument for social democrats and their allies in their quest to give capitalism a social outlook. The disappearance of communism seemed to confirm the neoliberal desire to free capitalism from all potential fetters. Those in the liberal-capitalist west who had retained, however limited, a certain loyalty or affection for communism, had always stressed that at least capitalism had been overcome in the societies of "real existing socialism."²³ If the relationship of communism to capitalism was straightforward, Kevin Morgan reminds us in his article that the relationship between communism and democracy was much more complex and ambiguous. Communist regimes in the twentieth century had a strong track record of using state violence to repress democracy. Democracy had indeed been key to the collapse of communism around 1990. As Morgan argues, communism's own pretence to democracy, captured in the term "people's democracy" had become the main reason for its nemesis. He pursues this refusal to let go of the language of democracy among communists from the Bolshevik definition of democracy as the class-based liberty of workers to the definitions often used by communists in the people's front policies during the era of fascism that harked back to the lowest common denominator of "bourgeois" democracy. Stalin's 1936 constitution was celebrated not just in the Soviet Union but also by many western fellow travellers as the most democratic in the world. Morgan is particularly interested in how communist movements that were in opposition used democratic freedoms in order to aid them in their struggles for greater social justice which were presented often as campaigns for democracy. Where communists were in opposition, they often had a very different attitude to democracy to communists in government. Lapsed communists, like E.P. Thompson in Britain, remained fierce critics of capitalism and sought to recover a socialist humanist civic activism based on morality and democracy.²⁴

23 David Caute, *The Fellow Travellers: Intellectual Friends of Communism* (revised and updated edition) (New Haven: Yale University Press, 1988).

24 Scott Hamilton, *The Crisis of Theory: E. P. Thompson, the New Left and Post-War British Politics* (Manchester: Manchester University Press, 2012).

If communism had an unambiguous hostility to capitalism and an ambiguous relationship to democracy, it was the other way around for fascism, which had an unambiguous hostility to democracy and an ambiguous relationship to capitalism. As Arnd Bauerkämper in his article makes clear, the old Marxist interpretation of fascism being in the pay of capitalism is far too simplistic.²⁵ Nowhere did fascism abolish capitalism, but in many places, it was transformed structurally. Where the aims of the fascist regimes did not harmonize with economic liberalism and market mechanisms, fascism was not hesitant to intervene. The regulation of labour mobility, prices, and interest rates as well as direct interventions in specific industries including the nationalization of industries were all means to ensure that ultimately the fascist regimes were capable of forcing their will onto reluctant capitalists. However, in most places most of the time this was not necessary, as capitalists made good profits under fascism. Thus, for example, the National Socialist political agenda of re-armament, autarky and expansion could be largely achieved in harmony with the leading industrialists in Germany. A mixture of stimulation and coercion led to the wide-spread collaboration of capitalists with fascists. Whilst there were only individual capitalists who supported National Socialism before 1933, in Italy many more key capitalists had lost their belief in democracy after the “red years” of 1919/20. They turned to fascism to protect capitalism, but the Italian fascists, just like the German National Socialists, were not shy to use state regulation of industry and to limit the freedom of industrialists where it suited their definition of the “national interest.”

Overall, all four articles dealing with four of the major ideologies of the modern era highlight the ambiguous and shifting relationship to democracy and capitalism. Liberalism was wary of democracy for a long time, whilst it stood at the cradle of capitalism. Its espousal of individualism was inextricably bound up with a defence of private property.²⁶ Yet over time, it warmed to democracy and became critical of the social misery produced by capitalism, seeking ways in which democracy would be able to reign in capitalism. The struggle between left liberalism and neoliberalism over the amount of freedom capitalism was to be allowed continues to characterize liberal ideologies until today. Social democracy was the main political force in “forging democracy”²⁷ in the nineteenth century. Yet the exclusions and discriminations it suffered made parts of social democracy turn away from “bourgeois democracy” and towards revolution. The split with communism made social democracy return to the path of liberal democracy in the interwar period, even if it was only after the Second World War, under the impact of the Cold War, that social democracy, often in alliance with

25 David Beetham, *Marxists in Face of Fascism: Writings by Marxists on Fascism from the Interwar Period* (Manchester: Manchester University Press, 1983).

26 John N. Gray, *Liberalism* (Milton Keynes: The Open University Press, 1986), 66.

27 Geoff Eley, *Forging Democracy: The History of the Left in Europe 1850–2000* (Oxford: Oxford University Press, 2002).

social liberalism, committed fully to democracy in order to give capitalism a more human face. Communism never abandoned its however flimsy claims to democracy, and especially where communism was not in government it remained a political force that used democracy in order to further campaigns against social injustices. Ironically, democracy movements ultimately brought an end to many ruling Communist parties across Eastern Europe and the wider world. Where it survives, as in China, it promotes a state-directed turbo-capitalism that threatens to beat the western capitalist states at their own game. Yet here it has ceased to be a force for greater social justice whilst being no more democratic than the Communist regimes of old. Like communism, fascism is a political ideology that has had its moment and is in need of proper historicization, a process that has been ongoing since the decades of the end of the Second World War. As an ideology it was ultimately defeated in a world war that saw a short-lived alliance between liberal democratic capitalism and communism. Fascism had proven the malleability of capitalism that has had an ability to accommodate itself to many different political ideologies. Fascism did not come to an end in 1945, and the recent alliances between neofascists and diverse right-wing populist movements, from Trumpism in the United States to Brexit in the United Kingdom and from the Rassemblement National in France to the Alternative für Deutschland in Germany show that as an ideology it may well be revived, albeit in different guises.²⁸ These political developments in our present make it all the more necessary to historicize the relationship between major modern ideologies and capitalism as well as democracy. The contributions in this special issue contribute to this exercise.

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28 Giovanna Campani and Birgit Sauer, "Neo-Fascist and neo-Nazi Constellations: The Cases of Italy and Austria," in *Understanding the Populist Shift: Othering in a Europe in Crisis*, edited by Gabriella Lazaridis and Giovanna Campani (London: Routledge, 2017), 31–49.