

Reconciling Individualism and Socialism

G. Simmel's Pluralist Economic Vision

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Topic

- Explorative talk: first stab at project → new topic, also in my study of Simmel
 - Reflections on individualism and socialism as social forms of modern life (cf. Dodd 2012)
 - Neglected topic and standard position: aristocratic individualism (Köhnke 1996, Moebius 2021)
- Key aim = conversation with debates today:
 - Intention = utilizing middle Simmel → open result: useful at all and what is useful
 - Different from specialized interpretation → S. = eclectic thought, developed in writing

Agenda

1. Introduction
2. The money economy and its social consequences
3. The eudemonistic perspective: *Socialism and Pessimism*
4. The economic perspective: a pluralist vision
5. Outlook: Simmel's relevance today?

2. The money economy and its social consequences



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The significance of Simmel

- *Philosophy of Money* (1900a) = comprehensive theory of value and exchange → market
 - Part 1 = conceptual preconditions and philosophical principles of money economy
 - Part 2 = social, psychological, and cultural consequences of money economy
- Human = “exchanging animal” (1900a, 291) → markets = anthropological significance
- Philosophical (non-economic) analysis of money economy = key to modern form of life
- Distinct from approaches in philosophy (ethical limits) and economy (modelling efficiency)

Social differentiation

- Part 2 = social, psycho. consequences of money economy → cultural potentials/issues
- Money = abstract form of exchange: taxes vs. in-kind → key development:
 - Detachment from personal relationships = objectification of economic relationships
- Social differentiation and specialization → division of labor: functional roles
- Social consequence = mutual dependence = dependence on society as a whole
- Objective dependence: functional roles = independent from personality

The psychological consequences

- Ambivalent assessment of objectification of economic relationships (e.g. division of labor)
- Potential: objective dependence = experienced as independence → individual freedom
 - Objectivation of what can be objectified → releases personality from necessities
- Problem: dominance of objective structures = experienced as hostile → alienation
 - Individuals can't find themselves in functional roles → no personal development
- Diametrical development: functional dependence and personal independence

The egalitarian option

- Functional dependence = priority of whole and relative value of parts → social principle
- Objective organization of society = deep affinity to idea of “state socialism” (1900a, 297)
- Socialism = social option of modern money economy → ideal of equality
- Key idea = all humans are individuals → differences = secondary
- Social form = priority of community, centralized organization, embedded individual
- Style of life corresponds to aesthetic ideal of symmetry = rational harmony of elements

The differentialist option

- Focus on personal independence → ideal of differentialist individuality
- Individuals = distinct, unique = absolute value → qualitative difference → inequality
- Social form = (aristocratic) liberalism → key entity = individual as totality
- Style of life = life from case to case → arbitrariness and fluidity of individual interests:
 - Every element allowed to develop independently according to its own circumstances
 - Whole = irregular and unbalanced phenomenon (English constitutional life as example)

3. The eudemonistic perspective: *Socialism and Pessimism*



F. Bates. New Harmony, Indiana. 1838

The eudemonistic perspective

- Individualism and socialism = antagonistic principles of modern life → critical examination
- Key concern = eudemonistic consequences of social forms → psychological assessment
- Potential for happiness = key criteria for social forms → interesting perspective
- Social-psychological assessment = distinct from ethical and political evaluation
- Key texts = two essays: *Roses: A Social Hypothesis* (1897), *Pessimism and Socialism* (1900b)

The relative character of happiness

- Discussion of complex relation of socialism to pessimism and optimism (Simmel 1900b)
- Feeling of happiness = relative → comparison with a prior state/state of someone else
- Attribution of positive happiness = conscious process → comparison with human average
- Individual difference and distinction = important feature of eudemonistic psychology

The eudemonistic limits of socialism

- Relative character of happiness → issue of distribution → can motivate socialism
- Socialism = pursuit of equality → eudemonistic aspect = fair distribution of pleasure/pain
- Redistribution of happiness = levelling individual differences → empirically never absolute
- Eudemonistic limits of socialism (Simmel's 1897, 1900b, 1917):
 - Small differences emerge after levelling → source of experience of inequality
 - Ideal of absolute equality \approx ideal of pessimism = absence of felt pleasure/pain

The eudemonistic limits of individualism

- Differentialist individualism seems better fit to eudemonistic psychology
- Individual = absolute value → searches for absolute gratification in relative world
- Disappointment → individualistic ages = prone to pessimism after optimistic beginning
- “Hypertrophic self” demands too much → detachment from world → escapism
- Cf. Simmel 1900a: uprooting as social effect of money → no attachment to content
- Levelling of individual expectations = necessary → curbing effect of socialism = positive

4. The economic perspective: a pluralistic vision



Colin et Cie

Société du FAMILISTÈRE de GUISE. - Usine Godin - L'Atelier d'émaillerie

Summary

- General conclusion from eudemonistic argument: both extremes = problematic
- Alternative = mixed social form → association of unequal parts that are integrated and free
- Balance between levelling/differentiation, attachment/independence, equality/difference
- Economic organization = key → social practice that responds to and shapes human needs
- Simmel 1907: sociological discussion of issue and proposes pluralist economic order

The proposal

- Local socialist cooperatives in overall liberal market → empirical evidence
- Model = Familistère de Guise = worker's cooperative, built around (iron-cast) stove factory
- From 1859 to 1968: funded by J.-B. Godin, a follower of Fourier = initial owner of factory
- Material redistribution not sufficient → comprehensive re-organization of worker's lives:
 - First “equivalent of wealth” = housing according to human needs → Social Palace
 - Second = democratization of workplace: from participation to cooperative ownership

The Social Palace (cf. Lallement 2012; Howland 1872)

- Comprehensive collective housing project → vs. tendency to single-family homes
- Forging community → preventing social isolation by shared spaces and institutions:
 - Basic needs: shops funded by community's capital and run by inhabitants
 - Collectively funded education from nursery to apprenticeships → community focused
 - Culture: theater, library etc. and celebration of achievements → ethics of work
 - Self-organization: Familistère owned and run by inhabitants → elected committees

Simmel's psychological argument

- Socialist cooperative offers social cohesion → responds to liberal tendency of disintegration
- No complete rationalization of human needs possible → demand cannot be calculated
- Individuals = unique → needs = unpredictable → psychological limit of planned economy
 - No complete purposiveness of economy → space for “irrational and unusable” goods
- Shift in perspective: economy is not only production of goods but serves human needs
- Quasi-Austrian argument for overall market: dynamic, unconscious adaption to preferences

The pragmatic argument for local socialism

- Key principle of socialism = fair distribution of service (*Leisten*) and enjoyment (*Genießen*)
- Pragmatic limit to compare and balance social contributions and rewards:
 - The larger social unity, the more social differentiation → issue for overall socialism
 - Re: More dependence, more independence → effect on cultivation of needs, desires
- What S. sees as ideal of social fairness = concept of unequal pricing (Simmel 1900a):
 - Fair price = considering subjective conditions of buyer not only objective of production

5. Outlook: Simmel relevance today?



General orientation

- Reservation against extreme solutions → neither Soviet communism nor neoliberalism
- Economy as social practice → normative aspect of economy = how it serves human needs
 - Aim = economy with a human face (cf. Marglin 2010b)
- Social normativity = immanent normativity of social forms → social psychology
 - No external arguments: nature, morality, or politics
 - Key criterion: how social forms support personal development of their creators

Potential contributions to concrete debates

- Social disintegration in late capitalism: causes and remedies
 - How markets undermine communities that are key for well-being (Marglin 2008)
 - Marglin (2010): importance of human connection, non-rational knowledge
 - S. shows that modern economy can foster both: individualism and socialism
- Epidemic of loneliness: high teen suicide rate in US (EconTalks, May 4th, 2020)
 - Need for eudemonistic perspective → issue of pessimism and balanced social culture

5. Outlook: Simmel's relevance today?

- Work-life balance debate: meaning/fulfillment not only through our function roles
 - S.'s emphasis on both aspects of social life: functional role and flourishing personality
- Relative character of happiness vs. argument: absolute increase of wealth for everybody
 - Bellet 2020: "McMansion effect" = satisfaction with size of house depends on neighbor

THE END