

## The Muzzle Theory: an analysis of democratic socialism

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### A Teoria da Focinheira: uma análise do socialismo democrático

**Resumo:** Este artigo discute a eficácia do sistema capitalista na promoção da estabilidade nacional e internacional. Neste trabalho, o capitalismo e seus métodos são comparados a uma fera traiçoeira que, embora introduza alguns efeitos positivos nas sociedades, como o progresso baseado na competição, precisa ser “amordaçada” pelo Estado para evitar desigualdade socioeconômica desenfreada, crises econômicas cíclicas, e até mesmo padrões morais insustentáveis. Além disso, esta crítica conclui que o modelo político mais promissor executa políticas socialistas enquanto mantém uma democracia forte. De Max Weber a Fareed Zakaria, este artigo visa repensar como as sociedades podem realmente alcançar a “paz perpétua” de Kant.

**Palavras Chave:** socialismo democrático, capitalismo, estabilidade político-econômica, crises, modelo Nórdico.

**Abstract:** This paper discusses the effectiveness of the capitalist system in promoting domestic and international stability. In this work, capitalism and its methods are compared to a treacherous beast that, although advancing some positive effects into societies such as competition-based progress, needs to be “muzzled” by the state to prevent rampant socio-economic inequality, cyclic economic crises, and even unsustainable moral standards. Moreover, this critique concludes the most promising political model to display socialist policies domestically while maintaining a strong democracy. From Max Weber to Fareed Zakaria, this article aims to rethink how societies may truly achieve Kant’s “perpetual peace”.

**Keywords:** democratic socialism, capitalism, political-economic stability, crises, Nordic model.

### Introduction

Since the Industrial Revolution began in the 18th century, societies across the globe have been deeply altered by the emergence of the consumer revolution, which led governments to become increasingly attentive to national markets. With such developments, the embryonic capitalism that already existed since the Medieval Ages within Mercantilism was able to advance its wealth-accumulation philosophy in Europe and North America. In modernity, capitalist free trade became an essential part

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not only of domestic governance but also of the relationship between countries. This system of private ownership of the means of production was a leading factor towards positive historical developments such as the rise of modern science and liberal democracy, but also had generally detrimental offsets such as imperialism, the systemic exploitation, and exclusion of workers, and minorities from accessing basic resources, and several economic crises. To counter the unjust aspects of this economic system, the main alternative that was developed was Marxist socialism. Emerged to criticize the Industrial Revolution's exploitative nature, this theory ultimately leads to communism, in which ownership of resources is public, and a strong central government regulates most aspects of citizens' lives in a one-party system. Attempted most notably in the USSR between the Russian Revolution and Gorbachev's Glasnost, communism revealed its tendency towards totalitarianism, which disregards the desires of the people and corrupts the ideals of Marxism. Therefore, this article's key objective is to argue how, although unrestrained capitalism is comparable to a treacherous Pitbull, it helps to develop collaborative liberal democracies when restricted by state-based "muzzles".

### **Economic crises as political indicators**

Both in unrestricted capitalism and communism, economic crises have historically demonstrated a need for political moderation. In the Marxist theory, the contradictions of capital accumulation bring about cyclic crises in the capitalist system, which can either be based on a deficit surplus value — when profit is not achieved — or on an excess surplus value — when too much profit is achieved —, satisfying the owners of the means of production, but denying workers of their rightful pay. In Marx's model of crises, capitalism is the problem itself, and instability cannot be stopped unless capitalism is extinguished. The starkest case of capitalist crisis may be the Great Depression of 1929, which was caused not only by the crash of the stock market but also by structural issues inherent to rampant capitalism, such as the unequal distribution of wealth and the tendency to over-produce industrial and agricultural consumer goods: reasons that validate the Marxist view that capitalism creates inequality which culminates in cycles of crises. To start recovering from such a terrible downfall, American president Franklin Delano Roosevelt proposed the New Deal and adopted socialist-leaning measures to save capitalism from itself. Roosevelt nationalized some industries, created governmental corporations to employ the maximum amount of people possible (giving every citizen the right to work), and generally increased state interference to control private initiative and try to stabilize the crisis. And though it was only truly remediated by the war industry's demands in World War II (which also entail strong government participation), FDR's New Deal helped millions of Americans in overcoming the economic recession. Eighty years later, a boom in the housing market followed a major financial crisis caused primarily by the housing bubble. While both crises in capitalism were the result of financial speculation, a virtually unreformable aspect of free enterprise, they were fundamentally based on long-lasting unsustainable effects of the oligarchic accumulation of wealth. The 2008 Great Recession was matched with unprecedented fiscal, monetary, and regulatory policy unleashed by federal authorities — measures comparable to the New Deal and are susceptible to similar analyses. On the other hand, the communist attempt in the USSR also faced a crisis when competing against the capitalist West during the Cold War. Struggling to keep meeting its people's needs while trying to prove communist superiority to the world and bring non-aligned countries to the East Bloc, the USSR opted for reform at its last moments.

Gorbachev's program of reconstruction, or Perestroika, was founded on increasing civil liberties, openness to trade with the West, and political pluralism. Like in the capitalist crises, Gorbachev had to resort to liberal policies to save communism from itself. Within the liberal spectrum, a broader example of increased governmental participation in times of economic slump is the COVID-19 recession. In Fareed Zakaria's "10 lessons for a post-pandemic world", he argues that neoliberals must yield to a need for government intervention since COVID-19 affected not only health affairs, but also the economy and politics (Zakaria 2020, 30). The United States, Japan, France, and the United Kingdom are only some of the many examples of capitalist nations that adopted interventionist measures such as enforced mask mandate, lockdown, and quarantine, to adequately contain the spread of COVID-19. Economically, countries like Brazil provided pensions for those affected by the recession, measures that showcase the effectiveness of socialist policies in promoting stability.

### **The Nordic model of social democracy**

Though Denmark, Sweden, and Norway are not republics, the Nordic Model provides a notable example of successful social democracy by combining a capitalist market with welfare policies. Since the Great Depression, left-wing politicians have been dominant in the Scandinavian agenda, and the welfare state in most of them was paid with increased progressive taxation. According to the 2020-2021 World Happiness Report, Scandinavian nations are still leaders in popular satisfaction, which, alongside the staggering rates of per capita income and other political indicatives, clearly demonstrates good governance in the Nordic model. However, the Nordic model does not abandon free trade and incentive to entrepreneurship: Norway, for example, has financed its free healthcare, education, and state pensions with a massive petroleum industry. Another relevant aspect of "Nordic socialism" is its even wealth and life quality distribution. According to the World Population Review, Nordic countries dominate the list of nations with the smallest inequality rates, based on the Gini coefficient. Politically, they exhibit some of the strongest and most established democracies in the world, as appointed by the 2021 Democracy Index. These statistics demonstrate how successful the model of social corporatism and collective bargaining have been in Nordic countries, though attempts in other regions of the world demonstrate that different conditions and historical records can make this transition towards a responsive social-democrat state more challenging. In Germany, the classic example of failed attempt is Rosa Luxemburg, a revolutionary who tried to promote a transition to democratic socialism in the 20th century but failed partially due to her communist associations. Moreover, the American stance on "Muzzling capitalism" may not seem welcoming at first, but proves the effectiveness of socialist public policies in sustaining a free-market economy. As asserted by influential politicians from the association Democratic Socialists of America (DSA), such as Bernie Sanders and Alexandra Ocasio-Cortez, the unfounded American rejection of socialism involves a great deal of anticommunist propaganda during the Cold War. Nevertheless, policies such as Medicare, Medicaid, the pension system, and state-owned transportation are socialist creations that have high levels of popular support and allowed the economic superpower to avoid the cyclic crises of a generally neoliberal system. This way, the Nordic model and the American example showcase the need to muzzle capitalism to sustain a stable government.

## **The moral values behind stable states**

Ultimately, the very moral values behind capitalism are unsustainable, and unless domestic stability is achieved through social democracy first, international cooperation is bound to unreliability. While this economic system is based on elitism, meaning a few individuals accumulate wealth and power at the expense of others, neoliberals argue that such a trait is beneficial as it foments competition and innovation. Being “below” someone on the social scale would, then, “push” one to work harder and get to the top. However, the capitalist myth of meritocracy ignores the fact that individuals start from different places in life. Although in modernity, most minority groups acquired equal rights before the law, few truly enjoy equal opportunities. This way, unrestrained capitalism is dangerous to the groups that start their careers from far behind the elites, and are challenged since birth to catch up with people who simply inherited the title of “CEO” from their father. In addition, the neoliberal capitalist point of view stresses individualism, selfishness, and hierarchy: factors that are detrimental to the building of any community. In Max Weber’s “Protestant Ethic and the Spirit of Capitalism”, the connection between Calvinist and capitalist virtue as both see profit as an end in itself, and the pursuit of business monopoly as virtuous rather than exclusive and exploitative. The very existence of billionaires goes against democratic principles and represents the extreme disparity between political subjects. Here, it is productive to observe that the libertarian argument for charity as a demonstration of rich morality is fundamentally unacceptable, since “charity” should be ideally not necessary. Instead, it should be a state function to promote equality, and to trust the function of promoting the balance of wealth in the most privileged group is, at best, naive. Not only do these capitalist values harm individuals’ mental health on both ends of the socio-economic hierarchy, but they also miss the very point of government: to ensure general welfare, stability, and order. To do so, social-democratic practices, as previously discussed, are the most efficient. “Muzzling” capitalism plays a major role in international relations since the Muzzle theory advocates for more socialist practices that contain, but do not halt, capitalism. With domestic stability achieved through the respective reform of the economic system in each country, the structure of the international system becomes more collaborative. Liberal institutions such as the United Nations and the European Union would be far more effective, since political and economic moderation would allow for rationality to thrive in conference rooms. With this turn to international liberalism and domestic socialism, trade between countries would be reduced, and national autonomy would be a reality in most countries. This domestic development would allow for constructivist participation of NGOs, local leaders, and other agents in international action as well as each state’s representatives, which reinforces the idea of a truly democratic system. Founded in the 17th century, conference diplomacy would reign as countries developed into more autonomous and peaceful entities. Therefore, while each country’s cultural integrity would likely be rescued, this system of peaceful exchange would encourage national identities to be celebrated as well as cultural shares between countries to be innocent and non-imperialistic. Undoubtedly, some countries would be more economically powerful than others, due to population variations as well as historical factors which can diminish growth, as it is demonstrated by post-colonialist intellectuals. However, with widespread social democracy, the role of liberal multinational institutions — primarily the United Nations — would increasingly become more regulative in terms of international intervention. The “Muzzle theory”, proposed hereby, stresses the economic as well as political and cultural sovereignty of each nation but urges for cooperation and the non-imperialist use of the most powerful countries’ responsibility to protect to level out disparities between global North and South. Significantly, the internationalist aspect of

Muzzleism is based on the modern revision of Immanuel Kant's Perpetual Peace, which sets down rules under which the international community shall operate to achieve long-lasting peace. Among them, are "Standing Armies Shall in Time Be Totally Abolished" and "No Independent States, Large or Small, Shall Come under the Dominion of Another State by Inheritance, Exchange, Purchase, or Donation" (Kant 1957, 1-2). This way, the implementation of domestic democratic socialism will lead to the facilitation of a peaceful and cooperative international system.

### **Concluding considerations**

This way, while different political systems may work best for different countries, democratic socialism is able to "muzzle" the "capitalist Pitbull" while also avoiding the repressiveness of communist regimes. Unfortunately, the strong anti-socialist campaign led by Reagan and the allied powers after World War II contributed to a worldwide fear of socialism. The s campaign, promoted by the elites to uphold their permanence in economic power, often argues that capitalism is the system that "works". Logically, capitalism seems to work perfectly for those who were born at the top of the economic pyramid. While humanity struggles to define what defines an economic system that "works" for *all* social classes, the question that remains is *how* to peacefully implement democratic socialism. As stated by Norman Thomas, "The American people will never knowingly adopt socialism. But, under the name of 'liberalism', they will adopt every fragment of the socialist program (Thomas, 1944)." Therefore, the answer to the implementation complex may involve liberalism — as mentioned by Norman — in the international realm. Though liberal multinational institutions must be at the lead of social and economic cooperation to drive society towards Kant's "Eternal Peace", to Muzzleism, it takes active popular participation in politics to truly democratize socialism.

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