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## A LIBERAL ENCHANTED BY SOCIALISM? THE ISSUE OF OWNERSHIP IN NEOLIBERAL DOCTRINE OF FERDINAND ZWEIG

*Ferdinand Zweig, who seems to be forgotten today, was one of the most eminent representatives of the so-called "Cracow School," an influential circle of economists associated with the Jagiellonian University. Zweig, as one of the ardent defenders and advocates of the revival of liberalism, devoted part of his considerations to the 'nature' of one of the fundamental social institutions, standing in the centre of the liberal doctrine, namely, the category of ownership. The idea of ownership as a socio-economic problem is never suspended in a vacuum; thus, in order to consider its place in Zweig's thinking, we should refer to this author's fascination with the liberal doctrine and his attitude to socialism, and in more detailed considerations as to the motifs of the criticism of monopolisation of the capitalist economy, expectations related to the stock form of ownership, and finally, issues related to social structure should be addressed.*

**Keywords:** *ownership, neoliberalism, monopoly capital, ownership, democracy, social justice.*

In the interwar period one of the most influential circles of economists was that associated with the Jagiellonian University, and is sometimes called "The Cracow School". It was established by such eminent economists as Adam Krzyżanowski, Adam Heydel and Ferdinand Zweig. If recognition is to be "measured" by means of studies devoted to a specific researcher, Ferdinand Zweig seems to be the least appreciated of them all.<sup>1</sup> Paradoxically, Zweig is probably better remembered in Great Britain, where he emigrated at the outbreak of World War II,

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<sup>1</sup> Apart from a monograph of Mirosław Czerwiński, which is quoted later on, it should be mentioned that probably the only more important study in which Zweig's contribution is mentioned on several pages is Tadeusz Kowalik's book, see: Kowalik Tadeusz, *Historia ekonomii w Polsce: 1864–1950* [History of Economics in Poland, 1864–1950], Polska Akademia Nauk: Instytut Oświaty, Nauki i Techniki – Zakład Narodowy im. Ossolińskich, Wrocław 1992.

and it was already there that he was publishing his important works for years in English.<sup>2</sup>

Zweig is an interesting figure in that as a graduate and doctor of law he devoted himself in the first phase of his scientific activity mostly to economic research, and ultimately, he abandoned this research for the field of sociology. However, what is most important, in both fields of study he quickly gained recognition and a title of an unquestioned authority. This was particularly so when the domain of the sociology of labour was concerned of which Zweig is a classic, though nowadays unfortunately a forgotten, one.

An attempt at remembering Zweig's heritage, however, has some limitations. That is why I shall concentrate mostly on bringing closer the problem of ownership in the thought system of this Cracow and London scientist, i.e. on some part of his thought on economy from the "Polish period" of his scientific activity. The category of ownership as a sociological and economic problem, however, is never suspended in a vacuum: to consider its place in Zweig's thought I have to refer both to his fascination with the liberal doctrine as well as his attitude to socialism, and at a more detailed level, I have to take up briefly elements of criticism of monopolisation of capitalist economy, hopes connected with the form of ownership such as shares and — finally — several elements which undertake issues connected with social structure.<sup>3</sup>

## LIFE AND WORK

Ferdinand Zweig was born on 23 June 1896 in Cracow to a Jewish family and was the son of Zacharias and Sarah née Lednitzer. In 1914–1918

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<sup>2</sup> Indeed these works have not been widely popularized in Poland. It is not possible to establish causes of this state of affairs. It can only be supposed that as a liberal and a soft "positive" critic of socialism, Zweig was censored. His only work which was reflected on and gained several polemics was *The Worker in Affluent Society*, however, the reflection of just this work was wide in all the academic circles. A fragment of this work was also translated into Polish in a collection of studies edited by Andrzejewski and Ostaszewski. Cf. Zweig Ferdinand, *Robotnik w społeczeństwie rosnącej zamożności powszechnej* [The Worker in Affluent Society], [in:] Andrzejewski Stanisław L., Ostaszewski Jan (Eds), *Uwarstwienie a rozwój społeczny. Wybór pism* [Stratification and Social Development. Selected Writings], Szkoła Nauk Politycznych i Społecznych, London 1964, pp. 351–387.

<sup>3</sup> It is they which show as early as in the 30s some fascination of Zweig with "the workers' question." Appropriate emphasis of this element allows to show the continuity and not breaking between Zweig's economics and sociology.

he studied law in Cracow and Vienna, however, the greatest influence on the future interests of young Zweig was that of the above-mentioned professor of economics — Adam Krzyżanowski. In 1918 Zweig obtained the title of doctor of law; however, he did not decide to pursue a scientific career, in which he would focus on narrow disciplines. In 1920–1921 he worked as a clerk at the Główny Urząd Statystyczny (Central Statistical Office), and in 1921 he became an active member of the just founded Krakowskie Towarzystwo Ekonomiczne (Cracow Society of Economics), which was an institutional base of “the Cracow School.” At that time he published numerous articles, among others in *Czasopismo Prawnicze i Ekonomiczne* [Law and Economics Journal], *Ekonomista* [Economist], *Przegląd Współczesny* [Modern Review], *Czas* [Time], he also read papers, for example, at the meetings of the Society.

In 1926 Zweig won a competition for an economic programme for Poland announced by the Bank Gospodarstwa Krajowego [The Bank of National Economy], while in 1927 he took the position of editor of *Ilustrowany Kurier Codzienny* [Illustrated Daily Courier]. Cooperation with this journal, which at that time was influential and widely read, lasted until the outbreak of World War II: Zweig published in its columns about 850 articles. In 1928 he returned to the Jagiellonian University and obtained in January 1929 the position of a *docent* [associate professor] in political economics and in August 1935 he became professor of economics at the Faculty of Law. Zweig’s most important works published at that time are undoubtedly the following: *Cztery systemy ekonomii* [Four Systems of Economics] (1932), *Ekonomia a technika* [Economics and Technology] (1935) and *Zmierzch czy odrodzenie liberalizmu* [The Twilight or a Rebirth of Liberalism] (1938). In spite of his liberal outlook, and as distinct from Heydel and Krzyżanowski, Zweig never became a member of a political party.

After the outbreak of World War II Zweig removed to Paris with the Polish Government and then went to London. During the war he was an economic adviser of General Sikorski. After the end of the war Zweig, like many other outstanding scientists and intellectuals, faced a dramatic choice: to emigrate or to return to the reborn Poland? He received a letter from the Rector of the Jagiellonian University, in which he was invited to return to Cracow. He replied to this letter rather guardedly, ultimately deciding to stay in England. His situation was troublesome since after the war Polish Faculties affiliated with British universities were being liquidated (in 1946 the Polish Faculty of Law where Zweig was employed as a lecturer was shut down). Uncertainty as to his employment lasted

until the early 1950s. It was just this that made Zweig depart from his interest in economics and tend towards sociological studies. In particular, his interest was in the sociology of labour and studies of the so called labour relations. It was then that he published his last studies in "pure" economics (*Labour, Life and Poverty*, 1948 and *Economic Ideas: A Study of Historical Perspectives*, 1950) and began publishing works on sociology (*Productivity and Trade Unions*, 1951; *The British Worker*, 1952). At that time he received a two-year research scholarship from the University of Manchester. Unexpectedly for himself, in 1953 he received an invitation from the Hebrew University to take the position of a visiting professor and he stayed there until 1956. The Israelis renewed their invitation a decade later — in the years 1964–1966 Zweig lectured at the University in Tel Aviv. But this time he went there as a well-known figure in the academic milieu — by then he gained an international reputation following the publication of his book *The Worker in an Affluent Society* (1961). This work, which was a polemic with Marxian class perspective, was well fitted in the trend aiming at stratification studies of the social structure and, as one of the first publications, was part of an extremely vivid discussion in the 60s of the past century on a hypothesis of "embourgeoisement of the working class."

Zweig became famous also for his later works: *Student in the Age of Anxiety* (1963), which is an empirical study of the condition of university youth in the context of civilisation changes and processes of popularisation of university studies, as well as critique of the Western consumer society and its avariciousness, which was titled *The New Acquisitive Society* (1976). Zweig died in London on 9 June 1988 and did not live to see the post-socialist Poland.<sup>4</sup>

#### NEOLIBERALISM OF FERDINAND ZWEIG

The problem of the role of ownership and of its place in Zweig's liberal doctrine can be found mainly in his last pre-World War II study *Zmierzch czy odrodzenie liberalizmu* [The Twilight or a Rebirth of Liberalism]. This work was written mainly under the influence of "external experience":

<sup>4</sup> All the most important facts of Zweig's life are given here after Mirośław Czerwiński's work, the only postwar and systematic — as far as I could establish — study devoted to Ferdinand Zweig. Cf. Czerwiński Mirośław, *Poglądy społeczno-ekonomiczne Ferdynanda Zweiga* [The Socio-Economic Views of Ferdinand Zweig], Wydawnictwo Uniwersytetu Śląskiego, Katowice 1996, pp. 11–14.

first of all of a peculiar impasse of the liberal idea in the years of the Great Depression,<sup>5</sup> which also quite severely hit Poland as well as the menace of “the brown years” coming slowly in Europe and tendencies which accompanied them and which were counter the liberal ideas — the progressing militarisation and a march towards war economy, the growing popularity of “state capitalism,” monopolisation of economy and excessive interventionism. Zweig described himself as an advocate of neoliberalism. The simplest, and almost synonymous definition of neoliberalism was the concept of “social liberalism.”

Zweig was full of hope when he proclaimed his “new liberal programme:”

I am one of those who believe that the liberal idea — in spite of all the post-war experiences, and perhaps because of them — is not dead and that sooner or later it will speak again among the masses the natural drive to freedom and that restoration of freedom will be the only way out from this heap of contradictions and nonsense in which mankind is involved now.<sup>6</sup>

Zweig emphasised that neoliberalism is the rebirth of the 19th century tradition invested with the new and up to date content and the decisive opposition to “neomercantilism” of the current times. Zweig’s neoliberalism means first of all the preservation of some continuity between Adam Smith’s classical doctrine and John Stuart Mill, who — as I suppose — was for Zweig the most eminent continuator of his idea:

In this brief collection I defend the principles not of the reactionary liberalism as interpreted by Bastiat, but a radical and thus social one the beginnings of which can be seen in Adam Smith, which was so enlivened by such a great empathy for the working class and which was best expressed in the middle of the 19th century by John Stuart Mill, a social liberal who developed an extensive programme of social reform.<sup>7</sup>

Zweig’s liberalism is the one which directly follows Smith; it is a non-doctrinal liberalism. This is the liberalism, which has not yet managed to become “an official doctrine, a doctrine of wealthy bourgeoisie.”<sup>8</sup>

From among the four great thought systems (doctrines) around which man’s socio-economic imagination is focused, i.e. liberalism, socialism, nationalism and universalism, it is just the first

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<sup>5</sup> Czerwiński Mirosław, *Poglądy społeczno ekonomiczne...*, p. 17.

<sup>6</sup> Zweig Ferdynand, *Zmierzch czy odrodzenie liberalizmu* [The Twilight or a Rebirth of Liberalism], Książnica-Atlas, Lwów-Warszawa 1938, p. 10.

<sup>7</sup> *ibidem*.

<sup>8</sup> *ibidem*, p. 42.

one – liberalism – which, according to Zweig, best responds to the challenges of modern civilisation. Zweig considered the accusation of liberalism to be anachronistic and naïve one. Like any very mature doctrine, liberalism too has first of all to be dynamic, which means it has to adapt and respond to the challenges of “the spirit of times.” To put it differently, he takes from the treasury of the classics of liberalism, but develops his own, both ideological and pragmatic solutions, inspired by the literal interpretation of the liberal canon and its critical reinterpretations.

What does this canon of *neoliberalism* consist of? First of all, it is the principle of *freedom*. Neoliberalism considers freedom as “the best, most effective and cheapest principle of governing and managing.”<sup>9</sup> In other words, coercion is alien to neoliberalism: both at the level of individuals as well as that of the whole nations. Only a free human being in a free society can, as Zweig put it, “create truly valuable and durable works.”<sup>10</sup> The principle of freedom, outlined in this way, may seem to us to be too lyrical, and assuming – a bit after Kropotkin – the goodness of human nature, it may seem a bit naïve, too distant from the mainline proposals of solutions of Hobbes’ dilemma, or ultimately too voluntarist. However, we assume that this lyrical normativism has an irresistible charm, and treated as an argument, does not have to appear to be weaker than the argument of power.

In this respect Zweig is not a simple-minded romantic. He supplements the principle of freedom with threshold conditions the fulfilling of which will make the principle of freedom possible and complete. I shall now try to present synthetically these most important conditions and shall devote more space to the ones which are of key importance for further considerations.

First of all, liberalism is a *doctrine of peace*, and it puts emphasis on the harmonious international cooperation, whose catalyst may be economic cooperation and trade exchange. Militarism, which is always connected with some form of state monopoly, *vide* interwar conceptions of state capitalism<sup>11</sup> or colonial imperialism is alien to Zweig’s liberalism.

Then, liberalism is a “*system of tolerance*” whose greatest enemy is class, racial and nationalist fanaticism. To use the language of today:

<sup>9</sup> *ibidem*, p. 17.

<sup>10</sup> *ibidem*, p. 18.

<sup>11</sup> Pollock Frederick, *State Capitalism: Its Possibilities and Limitations*, [in:] *Studies in Philosophy and Social Science*, no. 2/1941, pp. 200–225.

Zweig's liberal society means the pluralistic order in which the economic or "cultural" difference leads neither to deprivation nor to particular privilege. A true virtue of liberalism is variety, respecting the principle of *e pluribus unum* — just a society which values freedom and flourishes culturally and economically thanks to variety. However, liberalism is also a system of "social self-discipline" in which freedom is never absolute and cannot be an alibi for those who use it as an argument for restricting the freedom of others. This is regulated by a simple rule: the boundary of one man's freedom is the freedom of another man.

Finally, we come to what, in my opinion, is most important, i.e. re-interpretation of liberalism and its transformation into neoliberalism. Neoliberalism is the system of *political democracy*. First of all, this is a system of wide representation ("representation of the people"), responsibility of the authorities (using the language of contemporary social theory, we would say "accountability"). And, finally, the equality of political rights. All kinds of policy of censures, political exclusion and cynicism of formal democracy were alien to him.

Last but not least, liberalism is a system of education. It is just in it that he sees a chance of realisation of the principle of freedom. According to Zweig, special role in the dissemination of education from the institutional side is that of the state. Zweig's views were especially close to those of Józef Supiński. Supiński wrote at the end of his life "... neither education is possible in poverty nor prosperity can flourish in ignorance." It seems to me that Zweig is in the context we are interested in here another child of the Polish unfulfilled Enlightenment, which always and everywhere put such a strong emphasis on the dissemination of knowledge. The conception of a free individual, which was so dear to Zweig, refers, although not explicitly, rather on the level of *Sinnentsprechung* to Kantian understanding of maturity: maturity as a liberation from "self-inflicted immaturity." Kant emphasised "'Have courage to use your own understanding!' — that is the motto of Enlightenment."<sup>12</sup> It is just "the Kantian" subject, understood in such a way, which is a condition of success of all kinds of liberal policy, which — let's repeat — cannot flourish in ignorance.

Zweig also defines neoliberalism by the name of *active liberalism*. What does he understand by this? The essence of the 20th century active neoliberalism is an active intervention and interference from which

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<sup>12</sup>Kant Immanuel, *What is Enlightenment?* (<http://www.columbia.edu/acis/ets/CCREAD/etscc/kant.html>) (date of access: 10.04.2011).

the 19th century *laissez faire* economy shunned, and which paradoxically made it a passive and reactionary liberalism.<sup>13</sup>

The above conditions — which more or less refer to liberal classics — must, however, be supplemented with the actual content of neoliberalism, which for Zweig is a peculiar “social sensitivity.” Zweig defines it, among other things, by means of the concept of “social democracy.” Compared with the classical and orthodox liberalism, it puts more emphasis on the principle of equality of chances. An attempt at equality may adopt a wrong way — through temptation to liquidate private ownership. This can be realised only under constant coercion.

As a classical liberal, Zweig claims that the tension between absolutised ideals of equality and freedom is unconquerable — both of them cannot be attained at the same time. Thus, a liberal always elects freedom. However, at the same time liberalism, according to Zweig “attempts to bridge the gap in the economic distance between one man and another,” however, not through “elimination of private ownership, but through its widespreading.” Liberalism would want to “spread the institution of private ownership as a great guarantee of freedom.”<sup>14</sup> How do you do it?

At the beginning Zweig asks a fundamental question: “Can a man, who is deprived of ownership, be free?” and he tries to answer it in the following way:

Can liberalism exist where beside a feudal-millionaire there is an army of thousands of proletarians deprived of their bread? For its vitality, for its normal functioning, liberalism requires an equal ownership structure [emphasis — P. P.], a numerous middle social estates, a peasant, merchant, craftsman, factory owner. When this basic condition is not fulfilled, liberalism has no chance to survive and be successful, it does not have any arguments for its defence either. (...). Free competition under conditions of the crushing domination is like as if we put on the ring an athlete against a weakling and wanted him to fight under the ‘fair-play’ conditions.<sup>15</sup>

<sup>13</sup> Zweig devotes a whole chapter as well as numerous dispersed fragments in his *Zmierzch...* to interventionism (which by necessity is limited in the liberal order). So I am not going to introduce this subject and shall return to it later only when talking about the necessity of interventionism in case of monopolisation. However, in the outlined context a question remains open about Zweig’s “strategy.” It seems that the programme of renewal of liberalism has some features of the Keynesian road. Lord Keynes, and this simplifying interpretation is first of all owed to orthodox neoclassical liberals, is not so much an enemy of free market and private ownership, but rather one of the most important defenders of the liberal tradition (after all this is the way he described himself), which is nowadays often forgotten. And so, like in Keynes, the path of renewal of liberalism authored by Zweig, leads to imposition of some restrictions on the physiocratic principle of *laissez faire, laissez passer*.

<sup>14</sup> Zweig Ferdinand, *Zmierzch...*, p. 20.

<sup>15</sup> *ibidem*, p. 21.



According to Zweig the idea of neoliberalism is the principle of equal chances (to use Zweig's language: "equal points of departure"), possible only thanks to the equal system of private ownership. Zweig saw the economies of his times as decisively opposite to neoliberalism. First of all, this is due to the widespread tendencies towards monopolisation which accompanied them. Monopolisation of economy according to Zweig's logic starts a certain dangerous tendency (however, this is not his own formulation), which is antiliberal capitalism. Although the main principle of capitalism — private ownership — is in no way questioned, in this system there is a concentration of ownership in the hands of few owners. Although Zweig does not refer here to Marx, he shares with him its interpretation. The *laissez faire* capitalism is left to itself and generates a dangerous logic of concentration of ownership in the hands of a few owners. On the other hand, it leads to dispossession of the unprivileged majority.

Economy based on the concentration of monopolistic ownership is antiliberal for several reasons at least: it enables to set prices outside of the free market competition,<sup>16</sup> at times it also allows — under some special conditions — to obtain undeserved, "monopolistic" salaries. Then — monopolisation is against progress, it "goes to sleep" like as if and extinguishes competition and leads to socio-economic obstruction, especially to technological regress. And at last, as Zweig expresses it briefly, "monopolism is oriented at restricting production forces, on rent without any risk, is a factor which destroys the structure of division of profits."<sup>17</sup> Liberalism, which accepts the monopoly rules is not a liberalism as such *status quo* contradicts the liberal imperative of *fair play* competition.<sup>18</sup>

In order to save the classical liberal principles, two types of activities are necessary, let's call them (conventionally), although this is not the terminology of the Cracow economist, (1) *negative* and (2) *positive* activities. Both types of activities require active participation of public authorities although to a varying degree. (ad 1) First, there is a certain paradox here: namely, the state must stand in the defence of liberal principles, first of all through antimonomopolistic legislation, thus principally by means of antiliberal tools since they prohibit certain types of activities. However, we

<sup>16</sup> Zweig even writes about self-willing taxation of the society for the sake of a monopolist; see: Zweig Ferdinand, *Zmierzch...*, p. 61.

<sup>17</sup> *ibidem*, p. 62.

<sup>18</sup> *ibidem*.

see that liberalism as neoliberalism, responding to the challenges of its times, is not dogmatic in any way. First of all, in the sense that it does not absolutise private ownership rights as long as it can lead to abuse and be against social interest. (ad 2) The activities, for which I use a working term – positive, in turn consist of the project of dissemination of private ownership through its deconcentration. And in this connection, the public authorities have an important task to complete, although their functions are rather indirect, after all one cannot force anybody to become an owner. So the task of public authorities is to create, as it is sometimes called in social sciences, a moral subject and a conscious citizen, who is aware both of his private, particular interests and of the social interest. Of particular importance here is also the above mentioned role of educational policy.

## NEOLIBERALISM AND SHAREHOLDING

Now we come to the core of the problem. We have successfully convinced ourselves of how great the importance of the institution of ownership in the formation of social (and economic) relations was for Zweig. As a liberal Zweig was naturally in favour of private ownership as if, like most liberals, he put an equality sign between the institution of ownership and private ownership.<sup>19</sup> However, we have clearly noticed that to Zweig the liberal principle did not mean fetishisation of private ownership, in which he differed distinctly from vulgar liberals. To Zweig, shareholding was undoubtedly a phenomenon: its future significance had not been predicted by the greatest economists including Adam Smith – who on the pages of his *The Wealth of Nations* was skeptical towards shareholding economy. After all, there were numerous and strong arguments against it. In Smith's times shareholding societies were all the time based on privilege and monopoly.

Zweig emphasises that the liberal ideal is most probably, if my reading is not wrong, the economy, let's call it *petit bourgeois* one, based on deconcentrated ownership, where the same legal owner is at the same time a real disposer of the means of production? Zweig expresses it in the following way:

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<sup>19</sup> Cf. Pluciński Przemysław, *Tytuł prawny, posiadanie, korzystanie – kontrowersje wokół socjologicznej teorii własności* [Legal Title, Ownership, Usage. Controversies around Sociological Theory of Ownership], *Ruch Prawniczy, Ekonomiczny i Socjologiczny*, No 3/2007, p. 249.

Undoubtedly the ideal of an economy of the liberal type would be individual economy (...), based on exclusive initiative, risk, enterprise and management of the owner of the workshop who is responsible for this workshop with his own capital and manages it properly.<sup>20</sup>

In spite of its fascination with this ideal, one of the basic features of neoliberalism is moderate pragmatism — a liberal is not at odds with reality if it is not in line with his idealistic visions. He is able to reconcile with bitter awareness that this liberal horizon is to a certain extent “a paradise lost.” Thus the liberal project must respond to the current challenges, i.e. to overcome limitations of the current organisation of economic life. What comes first is to determine what are the weaknesses of shareholding. Already at that time Zweig was capable of describing them quite well. (1) Shareholding is a form of “a director’s economy,”<sup>21</sup> as it is based on the separation of ownership from management. This may lead to excessive bureaucracy and lack of the sense of responsibility to many dispersed owners. (2) In turn, the latter ones also “escape responsibility and most often confine their function to the election of the board of directors the representatives are again — very often — not very much interested in the prosperity of the company, not even having enough knowledge about it.” “Against this background grows a type of managerial economy, i.e. irresponsible apparatus, a type of shareholding bureaucracy which as each bureaucracy leads to routine, devoid of initiative and risk taking, and often in a quagmire and corrupt economy.”<sup>22</sup> (3) Finally, a weak side of this economy are tendencies at concentration. Zweig sees the processes of concentration of ownership as one of the greatest threats to liberalism, “since it destroys the foundations of free economy, preparing the process of monopolisation, privileges and exclusion.”<sup>23</sup>

Only this definition of threats allows one to recognise well the chances inherent in the shareholding economy. According to Zweig, it is an economy, which already at that stage of development, is indispensable first of all because it enables to mobilise production which could not be taken up by individual owners. In this context, shareholding economy is propitious to development and is conducive to modernisation: “the poorer the country (...) the more its industry is dependent on mutual capital.” Such an organisation of the collective effort through shares subscription

<sup>20</sup> Zweig Ferdynand, *Zmierzch...*, pp. 165–166.

<sup>21</sup> Today we would call it “managerial.”

<sup>22</sup> Zweig Ferdynand, *Zmierzch...*, p. 166.

<sup>23</sup> *ibidem*, p. 167.

was, according to Zweig, one of the strategies for the development of industrialised countries.

However, what is most important — a share possesses in it a potential of *democratisation of industrial ownership*:

A large factory or a foundry, which must be built using great amount of capital, represents the ownership of several hundred or several thousand shareholders, each of whom individually takes a small profit, which is a part of a large profit. A share is a form of collective and democratic wielding of power in industry and may be through its widespreading and propagation a factor of democratisation of great industry.<sup>24</sup>

This fragment shows Zweig's attachment to *citizen-shareholding*. However, Zweig is decisively also in favour of the formula of *employees' ownership*. He expresses the view that distribution of shareholding ownership of industrial enterprises among their employees<sup>25</sup> may make workers more sensitive to the results of the economic activity of an enterprise. "Economic empowerment" of the wider masses of the working class through shareholding could also stimulate in them more interest in industry and the logic how economy as such works. Zweig speaks here openly about the conception of "people's ownership." So Zweig is an unquestioned classic of this way of thinking, who after many years spoke about the so called *people's capitalism*.<sup>26</sup> As it can also be seen, Zweig does

<sup>24</sup> *ibidem*, p. 168.

<sup>25</sup> Zweig speaks explicitly about workers, but in accordance with the modern tendency we can extend this context and speak about employees.

<sup>26</sup> The conception of people's capitalism enjoyed its renaissance in the 70s and 80s of the 20th century. In the 70s and 80s in Great Britain an idea of "civic shareholding" was reborn, however, it has never been realised. It was to consist of a free of charge distribution of shares of state companies which were being privatised. In turn, during the tenures in Great Britain of Margaret Thatcher and Ronald Reagan in the USA attempts were made to implement the idea of employee's ownership within the so called ESOP (*Employee Stock Ownership Plans*). In Poland at the beginning of the 90s attempts were made to implement similar ideas of universal grants within the NFI [National Investment Fund] programme and employees' leasing; see: Luty Włodzimierz, *Kapitalizm ludowy w Polsce. Studium przypadków* [People's Capitalism in Poland. Case Studies], [in:] Suchocka Renata (Ed.), *Zróżnicowanie społeczne w teorii i empirii* [Social Differentiation from Theoretical and Empirical Perspective], Wydawnictwo WSNHiD, Poznań 2008, pp. 159–177.

However, the first attempts of implementing the idea of "people's capitalism" may be associated with the ideology of liberal conservatives, it is difficult to ascribe to them the monopoly for this. For example, in Poland the hopes for universal appropriation, which after years appeared to be unfulfilled, were connected with liberal leftist circles; see: Kowalik Tadeusz, *www.polskatransformacja.pl*, Warszawskie Wydawnictwo Literackie Muza S.A., Warszawa 2009, pp. 129–183.

not reduce ownership only to the domain of economy and emphasises the *non-economic function of ownership*, which we can define here by the name of its socialising function. This principle is in agreement with the core of the liberal thought. Let us remind that — according to liberals — subjectivity, both in the social sense and moral sense, is gained by man just thanks to ownership, even if a small one. In this way of thinking “the exteriorised” ownership is in certain sense an extension of the corporal model of ownership — power over one’s corporality (man can take care of his ownership the same way as he cares of himself) and humanity (it also allows him to develop himself as well as moral virtues and *the sense of responsibility*).

In order for hopes vested in shareholding to become reality, in order to “regain” shareholding economy and to give it over in the service of neoliberalism, according to Zweig, the maximum limits of concentration of shareholding capital should be set. Thus we can see that here again an idea of state interventionism is reborn for the defence of liberal principles. On the other hand, the state should also conduct an active policy of incentives for widespreading of low-value shares ownership if only through tax cuts and lifting taxes for small profits from the shares, a more rigorous control of shareholder-owned companies (so that they would not give privileges to large owners) and support of small shareholders’ rights to draw profit from the share-holding company. For Zweig a share is only a “percent security” while it should be “representative of ownership and rights.”<sup>27</sup> In these conditions a share can work for the sake of liberalism.

## OWNERSHIP AND SOCIAL STRUCTURE

The full reconstruction of Zweig’s manner of thinking about social structure would require to write a separate study. Here, due to the scope of this article, I shall confine myself only to some commentary.

It is obvious that from the socio-economic point of view, ownership is a chief structure-forming criterion. Zweig is also aware of the importance of this point of view. In this field he takes up considerations on the shape of the so called social structure in the capitalist society. The point of departure is here the critique of Marx; here he fails since he succumbs to commonplace interpretations of Marx’s scheme. Namely, he says that

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<sup>27</sup> Zweig Ferdinand, *Zmierzch...*, p. 169.

in Marx's interpretation where the criterion is the relation to the means of production (that is pure ownership relations) the society is perceived dualistically as falling into two classes: the bourgeoisie and the proletariat. It is difficult to dispute the above-presented view once again, after all Marx clearly distinguished a whole multitude of social classes,<sup>28</sup> and he treated the dualistic division only and exclusively as a *tendency*<sup>29</sup> of *laissez faire* capitalism.

After having described Marxian point of view as an erroneous one, Zweig proposes several alternative schemes of social structure with respect to various criteria:<sup>30</sup> (1) kind of ownership; (2) kind of income; (3) magnitude of ownership; (4) amount of income; (5) groups of professionals. It is worth noticing that alternatives of the Marxist scheme are now, obviously in a bit too reformulated and updated way, a basis to studies on social structure from stratification perspective (where the main variables are education, profession and amount of income earned). Zweig as an "anti-Marxist" fits well into the stratification tradition as its classic.<sup>31</sup> What is interesting, in contradistinction to conservative liberals, Zweig does not emphasise the organic character of unequal social order, even more, through widespreading of ownership, he tries to level out these differences. The conservative interpretations of liberalism all too often placed the question of social inequalities within organic vision of the society, drawing most surely from the vulgar readings of the 19th century evolutionism, and in particular social organicism.

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<sup>28</sup> In this respect, the most important are the "historical" writings of Marx: *The Class Struggles in France, 1848 to 1850*, [in:] Marx Karl, Engels Friedrich, *Collected Works*, vol. 10, International Publishers, New York 1978; *The Eighteenth Brumaire of Louis Bonaparte*, [in:] Marx Karl, Engels Friedrich, *Collected Works*, vol. 11, International Publishers, New York 1979.

<sup>29</sup> Marx writes among other: "Society as a whole is more and more *splitting up* [emphasis — P. P.] into two great hostile camps, into two great classes, directly facing each other: Bourgeoisie and Proletariat". Marx treats the dualistic class differences as an ongoing process, and not as an already accomplished fact; see: Marx Karl, Engels Friedrich, *Manifesto of the Communist Party*, [in:] Marks Karl, Engels Friedrich, *Collected Works*, International Publishers, New York 1976, p. 482.

<sup>30</sup> I am not going to introduce detailed differentiations as made by Zweig; this is because they are extensive and concern only indirectly the main problem. Those interested are advised to refer to the chapter "Liberalizm w walce class" [Liberalism in the Class Struggle]; see: Zweig Ferdynand, *Zmierzch...*, pp. 54–60.

<sup>31</sup> Maybe that here is the reason of Zweig's absence in the Polish intellectual life of the time of Polish People's Republic; see: Andrzejewski Stanisław L., Ostaszewski Jan (Eds), *Uwarstwienie a rozwój społeczny*, London 1964.

## A LIBERAL ENCHANTED BY SOCIALISM?

While slowly coming to the end of these considerations on Zweig's neoliberal doctrine and ownership as a category which is central in it, it is worth trying to outline a certain continuity in Zweig's thought: What is meant here is the smoothness of transition between the "economic" period and the "sociological" perspective. It seems to me and I have clearly underlined it that certain sociological elements were already available in Zweig's broadly conceived economic doctrine. Such a particular problem is here as it had once been called "the working class issue." It should also be emphasised here that this interest in the workers' problem was partly in Zweig's subtle fascination with socialism: in the pragmatic sense it was dictated by the imperative of fighting for "the souls." What should be stressed at once is Zweig's deference to this problem. He used Adam Smith's contribution which he interpreted just as that of a "social liberal."

It is rarely pointed out today that for Zweig, Adam Smith was a true spokesman of the principle of social solidarism and defender of workers. Zweig reminds us that Smith was a supporter of high wages for workers (which, in his opinion, stimulated them to be diligent), a severe critic of the "conspiracy of capitalists concerning wages" against workers and at the same time he criticized capitalists that in their pricing policies they do not flinch from the policy of high profits (and not that of higher wages). Following Smith, Zweig emphasized that the "social" ideal is the policy of low, but certain, profit rate. He was also a critic of the prohibition by law of workers' associations in view of the freedom of employers to associate. A desirable state must have been for Zweig the creation of conditions for *fair play* since he used this term many a time.

It seems that this sensitivity to social questions, directly taken from Smith, led Zweig, first to ideas connected with "empowerment" through widespreading of stock ownership, and second, to sociological studies of "the working class issues" (which traditionally belong to post-Marxian tradition). Therefore, is Zweig's description as "the liberal enchanted with socialism" as used in the title of this work justified? This is the question of interpretations and argumentation.<sup>32</sup> However, I am convinced

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<sup>32</sup> Similar tendencies to favourable readings of the idea of solidarism and socialism were manifested by Zweig also in his brochure of 1937, which preceded the publication of his *Zmierzch... [The Twilight...]*. Cf. Zweig Ferdinand, *Liberalizm polskiej myśli ekonomicznej* [Liberalism of the Polish Economic Thought], Międzywydziałowe Koło Naukowe UW „Wiedza,” Warszawa 1985.

that the answer to the question put in this way should be affirmative, the more so that this scholar from Cracow devoted a chapter to the consideration of the power dormant in the socialist thought in *Zmierzch...* [The Twilight...] He stated there explicitly that if collectivism or communism (due to their negation of private ownership) and Marxian socialism cannot be reconciled with liberalism, the other "socialisms," including the Utopian one and its ethic superstructure are in many points similar to liberalism and the compromise between non-authoritarian socialism and socially sensitive liberalism is very much possible.<sup>33</sup>

Summing up, many years later Zweig appears to have been an exceptional thinker, who radically superseded the spirit of the epoch and whose thoughts still sound fresh today.

He is one of the most convincing defenders and spokesmen of the liberal idea. If we take into consideration his attachment to liberal "orthodoxy," his enchantment with Adam Smith and John Stuart Mill then Zweig's project has always been an unequalled model of classical refinement of liberal ideas. Now let Zweig speak for himself:

Liberalism does not believe in the possibility of an ideal, perfect social system. Perfection is unattainable on this land. But there are systems which are more or less efficient, more or less permanent, more or less just.

Liberalism wants to realise an imperfect system, but the one which is better than others.<sup>34</sup>

These words are the best illustration of Zweig's vivid interest in the doctrine to which he devoted his eventful life.

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<sup>33</sup> Zweig Ferdinand, *Zmierzch...*, s. 93.

<sup>34</sup> *ibidem*, p. 25.