

Preface for another time

The world remains restless. It has not despaired of finding a better way to fulfill the central promise of democracy, which is to acknowledge and to equip the constructive genius of ordinary men and women. The ambition motivating this search is not merely a desire for greater equality; it is the demand for a larger life. Such a life must grant people more than a modest prosperity and independence, and more than relief from the extremes of poverty, drudgery, and oppression, although these goals continue to be beyond reach for most human beings alive today. It must offer as well an ascent toward the experience of self-possession and of self-making that has played so central a role in the Christian, romantic, and

liberal background to our secular ideologies of emancipation.

For a long time, the worldwide popular romantic culture, with its formulas of deception and inspiration, has joined what survives of these liberal and socialist ideologies to set the whole world on fire. The Left, however, has failed in its responsibility to continue this transforming work. In fact, the Left is lost. The aim of this book is not to denounce or to explain this disorientation. It is to propose a way to overcome it.

There are now two main Lefts in the world. A recalcitrant Left seeks to slow down the march to markets and to globalization, to which it offers no alternative. It wants to slow the march down in the interest of its historical constituency, especially the organized labor force established in the capital-intensive sectors of industry. This part of society, a shrinking portion of the population in almost every contemporary society, has, however, increasingly come to be seen, and to see itself, as the repository of a factional interest rather than as the bearer of the universal interests of mankind.

A Left that has already surrendered accepts the market economy in its present form and globalization on its current course as unavoidable and even as beneficial. It wants to humanize them. To this end, it deploys compensatory redistribution through tax-and-transfer policies. It has no program, other than the

program of its conservative adversaries, with a humanizing discount.

We need a third Left, bent on democratizing the market economy and on deepening democracy. That missing, reconstructive Left would insist on redirecting the course of globalization to make the world safer for a plurality of power and of vision and for the national experiments on which our success in achieving greater inclusion, opportunity, and capability largely depends. It would propose to reorganize the market economy as a setting for socially inclusive economic growth. In pursuit of this goal, it would work toward the experimental coexistence of different regimes of private and social property, as well as of different ways of relating governments to firms, within the same market economy. It would defend a system of public education that equips, informs, and frees the mind by a method of teaching at once analytic, dialectical (proceeding by a contrast between points of view), and cooperative. It would insist on reconciling local management of schools with national standards of investment and quality. It would refuse to allow our moral interests in social cohesion and solidarity to rest solely upon money transfers commanded by the state in the form of compensatory and retrospective redistribution. Instead, it would affirm the principle that everyone should share, in some way and at some time, responsibility for taking

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care of other people outside his own family. Such a Left would further commit itself to building a democracy more useful to our strongest moral and material interests than the versions of democracy that exist today. This deepened democracy would adopt arrangements that raise the temperature of politics – the level of civic engagement – and that quicken the pace of politics – the facility for the resolution of impasse. By such devices, it would enable contemporary societies to make themselves more distinctive, in accordance with their understanding of their interests and ideals rather than to continue sinking into an impotent and angry will to difference. It would weaken the dependence of change on crisis. As a result, it would ease the path to the policy and institutional innovations that are required for socially inclusive economic growth to take hold. This book sketches and defends a program for a Left defined by these ambitions.

An intellectual basis for such a Left exists today only in fragments and anticipations. The argument of this book has as one of its starting points a repudiation of many of the premises of the social theories – Marxism first among them – that have exercised the greatest influence on the Left over the last hundred and fifty years. Moreover, the argument begins from a belief that those theories rarely embraced: the practical

importance of the alliance between transformative politics and programmatic thought.

It is not enough to collect small, practical ideas about what to do next in each realm of social practice and public policy. It is also important to insist on big ideas about the direction in which to move. To mark out a route and to define how to begin traveling it: that is the greatest gift of the institutional imagination, the imagination of alternatives, to transformative practice.

To give this gift today, theory cannot remain content with the models of thinking about society and history that continue to surround us on every side. It cannot allow the idea of institutional alternatives to remain entangled in the assumptions that shaped much of classical social theory: that there exists a closed list of institutional alternatives in history (such as “feudalism” or “capitalism”); that each such alternative forms an indivisible system, which stands or falls as a whole; and that law-like forces, which people cannot control and barely understand, drive forward the historical succession of such institutional systems. Neither, however, can theory acquiesce in the denial or trivialization of structural change and discontinuity in the manner of the dominant practices of social science.

The programmatic imagination required by the Left alternative needs a theory that in some respects

does not yet exist, at least not as a widely understood and accepted body of ideas. The Left cannot wait for such a theory to emerge, to develop, and to persuade. The Left has to foreshadow this intellectual orientation in its practice as well as in its proposals.

Since the time this book was first published (under the title *What Should the Left Propose?*), three events have taken place that have reinforced the need for such a program and sharpened its focus.

The first development is the world financial and economic crisis. Nothing about the discussion of the crisis is more disconcerting than the poverty of the ideas that animate it. A shrunken and mummified Keynesianism has served as the dim light by which we try to understand and to master the slump.

In the North Atlantic world, debate about the crisis has been dominated by significant but relatively limited and shallow concerns: the rescue of failed banks, the regulation of financial markets, and the adoption of expansionary fiscal and monetary policies. Three more basic problems have remained largely suppressed in the discussion: the need to confront and to overcome structural imbalances in the world economy, the opportunity to reshape the arrangements governing the relation between finance and production, and the importance of acting on the linkage between recovery and redistribution.

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To each of these deeper problems, we can give a response that minimizes change in the present way of organizing a market economy. However, we can also seize on the problem as an occasion to turn the market economy into a more effective vehicle of socially inclusive economic growth. The task and the opportunity of the missing, reconstructive Left would be to provide the latter response and to combat the former.

Under present ways of organizing a market economy, production is largely self-financed on the basis of the retained earnings of firms. What then is the use of all the money in the banks and stock markets? That money is supposed to finance production and consumption. In reality, finance as now organized has an episodic or oblique connection to the productive agenda of society. We allow much of the productive potential of saving to be squandered in a financial casino.

The regulation of financial markets could serve as the beginning of a wider attempt to reshape the relation of finance to production so that more of long-term savings are put to productive use. Such a reshaping could in turn trigger broader experimentation with the institutional forms of a market economy, to the benefit of greater inclusion and opportunity.

Recovery and redistribution can advance together. In the United States, the epicenter of the present crisis, the expansion of a mass-consumption market over the

course of the second half of the twentieth century failed to be accompanied by a continuing and progressive redistribution of income and wealth. A bout of progressive redistribution occurred in the aftermath of the Second World War. In the closing decades of the twentieth century, however, the country witnessed a stark concentration of income and wealth.

How was this concentration reconciled with the requirements of mass consumption? Part of the answer to this question lies in an escalation of household indebtedness that was made possible by the use of overvalued housing stock as collateral. A pseudo-democratization of credit – a credit democracy in place of a property-owning democracy – took the place of a progressive redistribution of income and wealth. The crisis provides an occasion to reject this fragile replacement and to insist on the linkage between recovery and redistribution. Effective and lasting redistribution would need to result more from a broadening of economic and educational opportunity, achieved through institutional innovation, than from tax policies and transfer programs. The point is to influence the original distribution of wealth and income by reorganizing the market economy, not just to try to correct, after the fact, what the market, as now organized, has done.

If the Left has a proposal, the crisis will be its moment. If the Left fails to develop a program, the

crisis will confirm its intellectual as well as its political failure.

A second event has been a change of direction in the most powerful country. The United States is now undergoing one of its periodic moments of inflection. The new administration may move within a very restricted horizon of ideas and ambitions. The society beneath asks impatiently for more than those ambitions and ideas can accommodate.

One of the enabling conditions of the long conservative ascendancy in American politics in the second half of the twentieth century was the failure of the Democratic Party, ever the party of the progressives, to come up with a compelling sequel to Franklin Roosevelt: a program able to respond to the felt needs and aspirations of the white working-class majority. Another presupposition was the success of the conservatives in combining, against the background of this dearth of alternatives, concessions to the material interests of the moneyed classes with appeals to the moral anxieties of the moneyless and indebted classes.

Now was the time for a progressive position that would break with the two main traditions of progressive politics in American history. The first was the tradition of defense of small-scale property and small business against concentrated economic power. The second was the tradition of acceptance and of regula-

tion of big business by a strong national government. The keystone of a third tradition would be innovation in the institutional arrangements defining both the market and democracy.

Such an advance would, however, require a change in consciousness as well as a reform of institutions. It would force Americans to lift the exemption from experimentalism that they have usually granted to their institutions. It would demand that they cease to commit the sin of institutional idolatry that has tainted their political culture: the beliefs that they discovered the essential formula of a free society at the time of the foundation of the Republic; that this formula needs only to be adjusted from time to time under the pressure of trouble in the forms of foreign danger or economic distress; and that the rest of humanity must either conform to the formula or fall behind.

Where in the United States today is the Left that can speak in the voice of the missing alternative?

A third development that took place in the years following the original publication of this book may be less dramatic than the other two. It is, however, no less significant in its consequences for the world and in its implications for the Left. That is the growing power, self-awareness, and joint action of four countries: China, India, Russia and Brazil. Together, they

now account for close to 15 percent of world GDP, over 40 percent of world population, and over a quarter of the land mass on the planet.

Will they continue to resign themselves to the present forms of the market economy and the established course of globalization? Or will they revolt and inspire, by virtue of their initiatives, a world politics bearing the imprint of the Left alternative?

The international economic and political regime built in the aftermath of the Second World War and throughout the second half of the twentieth century has tended to impose a narrowing funnel of institutional possibilities on the whole world. The votaries of this regime have not waited for the institutional convergence, described and prophesized by the dominant ideas. They have fought to establish and accelerate institutional convergence as a condition of an open world economy as well as of peace and security among states.

Humanity, however, has reason to resist the formula that they would impose on it. The achievement of the goals that enjoy the widest authority today, including the aim of socially inclusive economic growth, requires us to broaden the limited set of institutional alternatives that are now on offer. Those who seek to enforce an institutional formula, in the name of economic openness and political security, risk turning the enemies of the formula into adversaries of the security and the openness.

Nowhere is this problem more clearly presented than in the evolution of the world trade regime. Under the aegis of the World Trade Organization, that regime has evolved in the direction of an institutional maximalism: the imposition on trading countries not just of a commitment to a market economy but also of conformity to a particular variant of a market economy. For example, the restrictive rules increasingly incorporated into the trade agreements outlaw, under the label "subsidies," almost all the forms of strategic coordination between governments and firms that the countries now rich, with the sole possible exception of Britain, used to become rich.

Similarly, to take another example among many, those rules include in the definition of a market economy a system of intellectual property, the patent system, that represents a relatively recent invention and that threatens to leave many of the technologies of greatest value to mankind in the hands of a small number of private multinational businesses. It is in the public interest to try out and to develop other ways of encouraging, financing, and organizing technological innovation. Such arrangements would cease to rely on the proprietary and exclusionary means of the patent laws.

That open world trade need not be organized as it is being organized today can be shown by the institutional minimalism that marked the prior, GATT regime. The commanding principle of that earlier

dispensation was to reconcile a maximum of economic openness with a minimum of limiting rules, especially rules regarding the way to organize a market economy. The BRIC countries have more than a shared stake in seeing institutional minimalism established as a foundation for universal free trade; they also have the power to begin acting to this end.

People around the world want more, not less, space for alternatives, for contrasts, for divergence, for experiments, for heresies. They will not be able to get what they want without rebuilding international economic and political arrangements in the service of a greater pluralism of power and of vision.

Such an effort has a natural ally in a potential for resistance that the BRIC countries have barely begun to tap. The Left alternative would provide one perspective from which to interpret that potential. The association of the Left alternative with resistance to the formula by China, India, Russia and Brazil would help turn this alternative into a universalizing heresy rather than into a collection of local, national heresies. It would establish the alternative as a movement in world politics.

In China, India, Russia and Brazil – each a world unto itself and, for that reason alone, a natural seat of resistance – the will to resist has been inhibited, although never fully suppressed, by a collapse of imagination. In China and Russia, the failure of

imagination has been aggravated by a denial of democracy. In all four countries, as in much of the world, it has proved impossible to act on the bond between national reconstruction and international pluralism without rejecting the ideas that emanate from the academic as well as from the political and economic authorities of the North Atlantic democracies. The intellectual servility that remains widespread in each of the BRIC countries serves as a surprising and proximate cause of their resignation to the present world order.

The association of the national interest of these four countries with the Left alternative would change the world situation decisively. It is an association that depends on a combination of thought and politics, of theory and practice.

Today when someone makes proposals for social reconstruction, such as those in this book, that are distant from the established order, people are likely to see them as interesting but utopian. If, however, the proposals remain close to what exists, people will be tempted to say that they are feasible but trivial. In the present climate of opinion, everything that can be proposed by way of alternatives stands a good chance of being dismissed as either utopian or trivial.

This fake dilemma arises from a misunderstanding of the work of the programmatic imagination as an

instrument of transformative politics. It is not about blueprints; it is about pathways. It is not architecture; it is music. The two most important aspects of a proposal are the marking of a direction and the definition of the first steps by which, from where we are today, we can move in that direction. We can formulate any proposal worth thinking about either at points that are relatively close to how things are now or relatively far away.

The trajectory matters more than the proximity to the present circumstances, except in so far as we undertake the second most important work of programmatic thought: the choice of the next steps. The possible that counts is not the fanciful horizon of possibilities but the adjacent possible: what is accessible with the materials at hand, deployed in the pursuit of movement in the desired direction.

The false dilemma that besets our programmatic arguments is now enhanced by another problem. We have ceased to believe in the world-historical narratives that professed to explain how and why large systems of organization and consciousness change through history. We are unable to obtain from the contemporary positive social sciences, with their overriding impulse to rationalize present arrangements, much useful insight into structural change. Denied such light, we fall back on a bastardized standard of realism: nearness to the existent. According to this

standard, a proposal is realistic to the extent that it remains close to the way society is organized now.

The paralysis of the programmatic imagination encourages the mistaken belief that the best for which we can hope is a marriage of American-style economic flexibility and European-style social protection within the narrow range of institutional options that are now available in the world. The repertory of these options has become the fate of contemporary societies. To enlarge that repertory is to rebel against this fate.

The core of what it means to be a Leftist today must be to insist on this rebellion, in the service of an attempt to give ordinary men and women a better chance for a bigger life.

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