

Guidelines for Envisioning Real Utopias

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Abstract

This essay explores five general guidelines for discussions of democratic egalitarian alternatives to existing institutions in contemporary capitalist societies: (1) Evaluate alternatives in terms of three criteria: desirability, viability, achievability. (2) Do not let the problem of achievability dictate the discussion of viability. (3) Clarify the problem of winners and losers in structural transformation. (4) Identify normative trade-offs in institutional designs and the transition costs in their creation. (5) Analyze alternatives in terms of waystations and intermediary forms as well as destinations. Pay particular attention to the potential of waystations to open up virtuous cycles of transformation.

To be a radical critic of existing institutions and social structures is to identify *harms* that are generated by existing arrangements, to formulate *alternatives* which mitigate those harms, and to propose *transformative strategies* for realizing those alternatives. There was a time when many intellectuals on the Left were quite confident in their understanding of each of these: theories of class and political economy provided a framework for identifying what was wrong with capitalism; various contending conceptions of socialism provided models for alternatives; and theories of class struggle and socialist politics (whether reformist or revolutionary) provided the basis for a transformative strategy. Today there is much less certainty among people who still identify strongly with Left values of radical egalitarianism and deep democracy. While Left intellectuals remain critical of capitalism, many acknowledge – if reluctantly – the necessity of markets and the continuing technological dynamism of capitalism. Socialism remains a marker for an alternative to capitalism, but its close association with statist projects of economic planning no longer has much credibility, and no fully convincing alternative comprehensive model has become broadly accepted. And while class struggles certainly remain a central source of conflict in the world today, there is no longer confidence in their potential to provide the anchoring agency for transforming and transcending capitalism.

This is the context in which there has emerged on the left a renewed interest in thinking about broad visions and imagining new ways of approaching the problem of alternatives to the existing social world. The recent publications of Compass are good examples of this kind of work.¹ Other examples include Michael Albert's effort at elaborating a comprehensive model for a participatory economy, christened Parecon; Gar Alperowitz's work, *America Beyond Capitalism: reclaiming our Wealth, our Liberty and Our Democracy*; Roberto Unger's book, *What Should the Left Propose*; and the volumes published out of my project, *Envisioning Real Utopias*.² I call the problem of exploring alternatives "envisioning real utopias" to highlight the inherent tension between taking seriously emancipatory aspirations for a radically more humane and just world, and confronting the hard constraints of realism. This is a difficult endeavor. It is much easier to be a realist about what exists than about what could exist, and much easier to dream of a better world without worrying about the practical problems of unintended consequences

¹ *The Good Society*, edited by Jonathan Rutherford and Hetan Shah (London: Compass, 2006); *A New Political Econom*, edited by Hetan Shah and Martin McIvor (London: Compass, 2006)

² Michael Albert, *Parecon: Life After Capitalism* (London: Verso, 2003); Gar Alperowitz, *America Beyond Capitalism: reclaiming our Wealth, our Liberty and Our Democracy* (New York: John Wiley, 2004); Roberto Unger, *What Should the Left Propose* (London: Verso, 2005). Volumes in the Real Utopias Project: *Associations and Democracy*, by Joshua Cohen and Joel Rogers, edited and introduced by Erik Olin Wright (London: Verso, 1995); *Equal Shares: making market socialism work*, by John Roemer, edited and introduced by Erik Olin Wright (London: Verso, 1996); *Recasting Egalitarianism: new rules for equity and accountability in markets, communities and states*, by Samuel Bowles and Herbt Gintis, edited and Introduced by Erik Olin Wright (London: Verso, 1999); *Deepening Democracy: Innovations in empowered participatory governance*, by Archon Fung and Erik Olin Wright (London: Verso, 2003); *Redesigning Distribution: basic income and stakeholder grants as cornerstones of a more egalitarian capitalism*, by Bruce Ackerman, Ann Alstott and Philippe van Parijs, edited and introduced by Erik Olin Wright (London: Verso, in press 2005); *Institutions for Gender Egalitarianism*, by Janet Gornick and Marcia Meyers; edited and introduced by Erik Olin Wright (forthcoming).

and perverse dynamics. But if we want to realize the values of egalitarian democracy in a sustainable way that creates the widespread conditions for human flourishing, then we must grapple with this tension.

In this essay I will elaborate five guidelines for these kinds of discussions of emancipatory alternatives to the existing social order:

1. Evaluate alternatives in terms of three criteria: desirability, viability, achievability.
2. Do not let the problem of achievability dictate the discussion of viability.
3. Clarify the problem of winners and losers in structural transformation.
4. Identify normative trade-offs in institutional designs and the transition costs in their creation.
5. Analyze alternatives in terms of waystations and intermediary forms as well as destinations. Pay particular attention to the potential of waystations to open up virtuous cycles of transformation.

1. Desirability, viability, achievability

Social alternatives can be elaborated and evaluated by three different criteria: *desirability*, *viability*, and *achievability*. These are nested in a kind of hierarchy: Not all desirable alternatives are viable, and not all viable alternatives are achievable.

In the exploration of *desirability*, one asks the question: what are the moral principles that a given alternative is supposed to serve? This is the domain of pure utopian social theory and much normative political philosophy. Typically such discussions are institutionally very thin, the emphasis being on the enunciation of abstract principles rather than actual institutional designs. Thus, for example, the classical Marxist aphorism to describe communism as a classless society governed by the principle “to each according to need, from each according to ability,” is almost silent on the actual institutional arrangements which would make this principle operative. These kinds of discussions can be quite valuable, for they help to clarify the normative goals of projects of social change and help us evaluate whether or not we are moving in the right direction, but by themselves they tell us little about how to actually design institutions.

The study of *viability* is a response to the perpetual objection to radical egalitarian proposals “it sounds good on paper, but it will never work.” The exploration of viability brackets the question of the political achievability of the proposed alternative under existing historical conditions and focuses instead on the likely dynamics and unintended consequences of the proposal if it were to be implemented. Two kinds of analyses are especially pertinent here: systematic theoretical models of how particular social structures and institutions would work, and empirical studies of cases, both historical and contemporary, where at least some aspects of the proposal have been tried.

The problem of *achievability* of alternatives is the central task for the practical political work of strategies for social change. It asks of proposals for social change that have passed the test of desirability and viability, what it would take to actually implement them. This turns out to be a very difficult undertaking, especially because of the high

levels of contingency of conditions in the future which will affect the prospects of success of any long-term strategy. Generally, as a result of this uncertainty, discussions of achievability tend to become quite short term, focusing on existing configurations of social forces and potential political coalitions that can plausibly be persuaded to adopt specific projects of change.

Consider the example of unconditional basic income (UBI), a proposal that has gotten considerable discussion in recent years.³ UBI is a proposal for a fundamental redesign of institutions of income distribution.⁴ At its core UBI is a very simple idea: every citizen should receive a monthly stipend sufficient to live at a decent no-frills standard of living above the “poverty line” without any conditions. The stipend goes to the rich and the poor, the advantaged and the disadvantaged, the industrious and the lazy. It is given unconditionally, without work or other requirements. Of course, to pay for a UBI taxes would have to be significantly raised on the rich and thus they would not be net beneficiaries – i.e. their additional taxes in a UBI regime would be higher than the UBI itself – but everyone gets the grant. The questions then are: would this be desirable, viable, and achievable?

There is a lively debate among philosophers and others about whether UBI would be desirable. Philippe van Parijs, one of the preeminent theorists of UBI, argues that it is justified on the grounds that it guarantees “real freedom for all” by insuring that everyone has the capacity to make certain autonomous choices around their life plans.⁵ David Purdy argues that UBI is a crucial component of a transition to a sustainable, steady-state economy in which social development rather than economic growth is the central axis of economic activity and public policy.⁶ Others have argued that it is desirable because it eliminates absolute poverty without creating poverty traps associated with means-tested programs.⁷ I have defended UBI on two grounds: first, it facilitates the expansion of noncommodified productive activity in a wide range of domains – caregiving, artistic production and performance, community building – by guaranteeing the participants in such activities a basic standard of living unconnected to market earnings, and second, it

³ For an extended discussion of basic income, see Anne Allstott, Bruce Ackerman and Philippe van Parijs *Redesigning Distribution*, vol. V in the *Real Utopias Project*, edited by Erik Olin Wright (London, Verso: 2006).

⁴ It is better to refer to UBI as a redesign of the institutions of distribution than to describe it as a mechanism of income redistribution. The expression “redistribution” implies that there is something that can be called an income distribution which is generated by market mechanisms which is then redistributed through state mechanisms (taxes and transfers). This suggests that market-generated distributions are somehow pre-political, natural, spontaneous. In fact, the politically established rules of the game deeply shape the way markets themselves generate income and distribution. The market does not first produce and income which is then redistributed; the income generated by actors in an economy is from the start jointly shaped by market relations and political institutions and conditions. UBI is simply an alternative structure of distributive rules.

⁵ Philippe van Parijs *Real Freedom for All* (Oxford University Press: 19xx)

⁶ David Purdy, “Citizen’s Income: sowing the seeds of change”, *Soundings* 35 (Spring 2007), pp. 54-65).

⁷ Irv Garfinkle, Chien-Chung Huang, Wendy Naidich “The Effects of a Basic Income Guarantee on Poverty and Income Distribution” in Anne Allstott, Bruce Ackerman and Philippe van Parijs *Redesigning Distribution*, vol. V in the *Real Utopias Project*, edited by Erik Olin Wright (Verso: 2006)

shifts the balance of power from capital to labor by giving workers greater bargaining power both individually (because of the option of quitting given jobs or exiting the labor market altogether) and collectively (because UBI functions as a permanent unconditional strike fund).⁸

The problem of viability of the proposal revolves around its impact on taxation and work incentives.⁹ Skeptics argue first, that tax rates would have to be so high that this would create large disincentives for investment, and second, too many people would opt to live on the basic income rather than seek income in labor markets. For both of these reasons the economy would not produce sufficient income to generate the taxes needed to sustain the basic income. Basic income would self-destruct. Defenders of basic income reply that both of these problems are greatly overstated. Since UBI would replace a vast array of targeted and means-tested income support programs, and since it is administratively much simpler than the programs it replaces and thus saves on administrative costs, the total cost of a reasonable basic income would only be moderately more than currently existing generous welfare state redistributive programs. The labor supply objection is more difficult to assess for this depends very much on the specific preferences for material consumption and nonmarket activities (both leisure and productive nonmarket activities) in a population, but it is important to note that some of the nonmarket activities which would be facilitated by UBI would increase aggregate productivity by solving certain kinds of social problems, and thus even if they do not directly generate taxable income, they contribute to the income-generating capacity of the system.

In most developed capitalist economies, a generous UBI is not currently achievable: the dominant political forces in these countries do not back basic income as a general proposal, and public opinion is certainly not behind it. Nevertheless, there are grounds to believe that a coalition could potentially be constructed for such a proposal in the future. The key here is to recognize the ways in which UBI could significantly contribute to the solution of a heterogeneous array of practical political, economic, and social problems and satisfy a variety of different kinds of interests, and thus become a policy supported by a coalition of those who support it for moral reasons and those who support it for pragmatic reasons. For example, UBI could be a solution to the knotty problem of agricultural subsidies in developed capitalist countries. Agricultural subsidies are ideologically defended on the grounds that they are needed in order for small farmers to survive, but the form of these subsidies – directed at prices of crops and similar mechanisms – typically end up benefiting large farmers and corporate agriculture more than small farmers. Suppose that all of these direct farm subsidies were eliminated and a generous UBI introduced. This would enable small farmers to farm since with a UBI they would not need to produce their basic income through farming labor; farming would serve only to generate discretionary income. Agribusiness, on the other hand, would receive no subsidy – and indeed, since agricultural labor is likely to become more

⁸ Erik Olin Wright, “Basic Income, Stakeholder Grants, and Class Analysis,” in Anne Allstott, Bruce Ackerman and Philippe van Parijs *Redesigning Distribution*, vol. V in the *Real Utopias Project*, edited by Erik Olin Wright (Verso: 2006), and “Basic Income as a Socialist Project,” *Basic Income Studies*: Vol. 1 : No. 1, Article 12. Available at: <http://www.bepress.com/bis/vol1/iss1/art12>

⁹ For a good synoptic review of issues around viability of basic income, see David Purdy, *op. cit.*

expensive because of the improved bargaining position of farm workers, corporate agriculture might be hurt by the reform. UBI could thus be the basis for a coalition of interests between small farmers and artists, since for both of these social categories UBI makes it easier for people to carry out their preferred social activities by partially disengaging the problem of meeting their basic economic needs from earning income from their productive activity.

The discussion of desirability, viability, and achievability are thus all relevant to the understanding of alternatives to existing social structures and institutions. At this point in history I believe that the most pressing intellectual task of these three is the problem of viability. In a sense, the problem of desirability unconstrained by viability and achievability is *too easy*: it is too easy to elaborate the moral principles and values we want to see embodied in alternatives and to show how these values are represented by various schemes. And the problem of achievability is *too hard*: there are simply too many contingencies and uncertainties for us to assign meaningful probabilities to the achievability of a given viable alternative very far into the future. The problem of viability is particularly important because there is so much skepticism among people who are convinced of desirability and willing to participate in the political work to make alternatives achievable, but have lost confidence in the workability of visions beyond the existing social order.

2. Achievability should not constrain discussions of viability.

Discussions of the viability of new institutional designs that bracket the problem of the actual political achievability often encounter strong objections. What is the point, it is sometimes argued, of talking about some theoretically viable alternative to the world in which we live if it is not strategically achievable? There are two responses to the skeptic.

First, there are so many uncertainties and contingencies about the future, that we cannot possibly know *now* what really are *the limits of achievable alternatives in the future*. The further we look into the future, the less certain we can be about the limits on what is achievable. Achievability is often determined by historically contingent windows of opportunity that open up unexpectedly rather than anticipated strategies understood well in advance. No one, for example, would have thought in 1985 that a destruction of the Soviet Union and the shock therapy transition to some form of capitalism was achievable within a decade. So, to let our firm knowledge of achievability constrain our analysis of viability would necessarily exclude discussions of some alternatives that eventually do become achievable.

Second, the *actual limits of what is achievable depend in part on the beliefs people hold about what sorts of alternatives are viable*. This is a fundamental if sometimes elusive point about very idea of there being “limits of possibility” for social change: social limits of possibility are not independent of beliefs about limits. When a biologist argues that in the absence of certain conditions, life is impossible, this is a claim about objective constraints. Of course the biologist could be wrong, but the claims themselves are about real, untransgressable limits of possibility that exist independently of our theories about those limits. Claims about social limits of possibility are different from these claims about biological limits, for in the social case the beliefs people hold about limits systematically affect what is possible. Developing systematic, compelling

accounts of viable alternatives to existing social structures and institutions of power and privilege, therefore, is one component of the social process through which the social limits on achievable alternatives can themselves be changed.

For these reasons, the analysis of the viability of alternatives to existing institutions should not be short circuited by the problem of political achievability. Of course, if it could be shown that in principle a given proposal could never be achieved under any conceivable conditions, this would reduce the interest in understanding its potential viability. Nevertheless, even in this extreme case, the discussion of viability could be productive insofar as it clarifies issues of the workability of institutional design which might have implications for modified versions which could be implemented.

3. Winners and losers

In recent years, discussions of democratic egalitarian alternatives to existing institutions frequently argue that these alternatives are good for everyone, that they constitute “win-win” solutions to existing problems. The appeal of a given proposal will obviously be greater if no one is really hurt by it. There are some passages in the *Compass Programme for Renewal* books which have this character. For example, in *A New Political Economy*, the authors argue that a democratically revitalized state “can enter into continual negotiation with the market, to hold it in check, boost its performance and *save it from itself*” (p15, italics added) and that “The good economy outperforms the deregulated ‘feral’ economy in traditional economic terms” (p21). If it were the case that in order to save the market from self-destruction we would need the full package of democratic egalitarian transformations outlined in the *Programme for Renewal*, then this would mean that capitalists should support these transformations, for their survival as well depends on them. Similarly if it were indeed the case that the good economy actually outperformed the neoliberal economy in *traditional* economic terms – i.e. the good economy generated a higher rate of profit, greater competitiveness globally, more rapid accumulation of capital, etc. – then again, capitalists would do better under the alternative. Under these conditions their opposition, therefore, would not reflect their class interests but their stupidity and “false consciousness”.

Now, there may be special circumstances in which policies which are best for society are also best for corporations, but in general serious democratic egalitarian institutional transformations are not optimal for capitalists and large corporations. While it is true that capitalism does best under *some degree* of regulation, it is generally not the case that the *optimal* level of regulation for the interests of corporate capitalism is the same as the optimal level for workers and ordinary citizens. One way of visualizing this is illustrated in Figure 1.¹⁰ This figure shows the relationship between the degree of economic regulations of markets and firms and “economic performance” as defined by the interests of capitalists and corporations and as defined by the interests of ordinary people in the broader society. For capitalists, good economic performance serves their interests when it contributes to high and stable profits; for society as a whole, good economic performance serves interests of most people when it generates a high and

¹⁰ This figure is taken from Erik Olin Wright, “Beneficial Constraints: beneficial for whom?” *The Socioeconomic Review*, 2004 (2) 461-67.

sustainable quality of life. Since profit maximization is generally facilitated by a certain amount of unemployment and insecurity among workers (since this reduces the bargaining power of employees) and significant negative externalities (since this reduces costs), it is generally the case that the optimal level of regulation for profit maximization is lower than for the common good. Thus while it may be true that the radical deregulation proposed by neoliberals might be ultimately harmful for capitalists – this is below the optimal level of regulation for capitalism – it does not follow that the wide-ranging regulations of a democratic egalitarian project for the reassertion of societal control over the market would be good for capitalists.¹¹ By and large, powerful and wealthy individuals and corporations will be “losers” in a meaningful movement towards democratic egalitarianism.

-- Figure 1 about here --

While it is understandable why the idea of win-win is politically appealing, it creates the illusion that the main problem egalitarian democrats face in confronting the power and privileges of elites and dominant classes is enlightenment, whereas typically the problem is defeating them politically. This does not mean – as revolutionary socialists assumed in the past – that serious advances in democratic egalitarianism necessarily require *destroying* capitalists’ power altogether, but it does mean blocking off their preferred solutions and this is a question of power, not just enlightenment. As Joel Rogers has put it in discussing the problem of creating the conditions for “high road capitalism,” the task is to “close off the low road and pave the high road.” And closing off the low road requires political victories over opposition.

4. Normative trade-offs and transition costs

It is a commonplace in all political debates to claim that a preferred institutional transformation is better in all respects than the institution it replaces, and further, that the transition from one to the other assures instant improvements. There are no important normative trade-offs and no transition costs to transformation. As in the claims for win-win solutions in which everyone is better off, such arguments may help to solidify support for the proposal. But this also opens to the door to disappointment and feelings of having been misled when transition costs are real and trade-offs are encountered.

Consider, for example, the problem of the relationship between the degree of equality in an economy and economic growth. A standard argument by conservatives is that there is a sharp trade-off here: if income is redistributed from the successful to the

¹¹ It may also be the case – as I argue in “Beneficial Constraints: beneficial for whom?”, *ibid.* – that capitalists might even have good reason to prefer the sub-optimal levels of regulation of neoliberalism (in spite of its harmful effects) if they fear that for political reasons moving towards their “optimal level” opens the door for more extensive regulation. (In Figure 1 the interests of capitalists are better served at the neoliberal level of regulation than at the socially optimal level of regulation). This could be called the “Frankenstein problem” for regulation of capitalism: building the levels of state competence and capacity to regulate capitalism optimally for the interests of capitalist corporations creates a state that is also capable of regulating it optimally for the society. Capitalists may fear creating a “monster” they cannot control, and thus prefer the neoliberal solution even though it creates less than optimal constraints on the market for their economic interests. The capitalist optimum may not be a stable equilibrium.

unsuccessful (i.e. from the rich to the poor), then incentives will be reduced for investors, entrepreneurs, innovators and risk-takers, and as a result economic growth will be slowed. Egalitarians have correctly criticized this generic prediction by showing, for example, that it is not the case that economic growth is slower in those developed capitalist countries with less inegalitarian distributions of income, and that a high level of economic inequality brings its wake a host of social problems that are themselves efficiency-reducing (crime, social disorganization, low morale, etc.). Nevertheless, the data also do not support the strong claim that there would be no incentive problems for innovation, entrepreneurship and risk-taking if the full gambit of democratic egalitarian proposals were instituted. We just don't know, and the arguments that there might be such problems are plausible; there may indeed be a trade-off. This does not imply, however, that the trade-off isn't worth making. One might well decide, all things considered, that giving up a little incentive for certain kinds of entrepreneurial innovation is worth the improvement in the quality of life for the economically less advantaged. This is particularly the case if much entrepreneurial innovation driven by market competition and the prospects of large personal rewards is devoted to refined forms of consumerism – large home theater video systems – rather than innovations that benefit the vast majority of people.

This particular trade-off problem is illustrated in Figure 2. In this figure, the rate of economic growth (the left hand vertical scale) increases as you move from extremely high levels of inequality to moderately high levels and then slowly declines, due to the reduced incentives for entrepreneurial risk-taking and the like. The long term quality of life for the economically disadvantaged (the right hand vertical scale), however, continues to rise as inequality is reduced until you approach extremely low levels of inequality, where the slower rate of economic growth eventually undermines the long term prospects for the disadvantaged. *If* this figure accurately portrays the trade-offs, then a good case can still be made for the relatively low inequality equilibrium on social justice grounds; but this is a trade-off, and it should be defended not denied.

-- Figure 2 about here --

The picture in Figure 2 is purely hypothetical. We don't actually know very much about what the long term trade-offs might be in the economic and political environment of a well institutionalized democratic egalitarian society. The trade-offs might well be less than pictured here, or perhaps more. One important reason for explicitly acknowledging the potential for such trade-offs is to enhance the learning capacity in the process of building the new institutions. Simply because such trade-offs exist does not imply that additional institutional innovations might not help reduce them. If the political project of moving in the direction of radical democratic egalitarianism recognizes the real possibility of these kinds of trade-offs, then the people involved in the trial-and-error process of democratic experimentalism are more likely to recognize the problems and work on ways of dealing with them. This is, perhaps, the most important role for social science in the long term process of "envisioning real utopias": enhancing the learning capacity of the participants in real world endeavors and making another world possible. And this requires as clear-headed an acknowledgement of dilemmas and trade-offs as possible.

5. Waystations

The final guideline for discussions of envisioning real utopias concerns the importance of waystations. The central problem of envisioning real utopias concerns the viability of institutional alternatives that embody emancipatory values, but the practical achievability of such institutional designs often depends upon the existence of smaller steps, intermediate institutional innovations that move us in the right direction but only partially embody these values. Institutional proposals which have an all-or-nothing quality to them are both less likely to be adopted in the first place, and may pose more difficult transition-cost problems if implemented. The catastrophic experience of Russia in the “shock therapy” approach to market reform is historical testimony to this problem.

Waystations are a difficult theoretical and practical problem because there are many instances in which partial reforms may have very different consequences than full-bodied changes. Consider the example of unconditional basic income. Suppose that a very limited, below-subsistence basic income was instituted: not enough to survive on, but a grant of income unconditionally given to everyone. One possibility is that this kind of basic income would act mainly as a subsidy to employers who pay very low wages, since now they could attract more workers even if they offered below poverty level earnings. There may be good reasons to institute such wage subsidies, but they would not generate the positive effects of a UBI, and therefore might not function as a stepping stone.

What we ideally want, therefore, are intermediate reforms that have two main properties: first, they concretely demonstrate the virtues of the fuller program of transformation, so they contribute to the ideological battle of convincing people that the alternative is credible and desirable; and second, they enhance the capacity for action of people, increasing their ability to push further in the future. Waystations that increase popular participation and bring people together in problem-solving deliberations for collective purposes are particularly salient in this regard. This is what in the 1970s was called “nonreformist reforms”: reforms that are possible within existing institutions and that pragmatically solve real problems while at the same time empowering people in ways which enlarge their scope of action in the future.

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The Compass Programme for Renewal is an important contribution to revitalizing a sense of alternatives to the market-centered hypercapitalism of neoliberalism. Its value is not so much in the specification of a concrete set of specific policy proposals for Britain in the present, although it does contain a range of proposals of this sort, but in articulating a set of principles that might inform the on-going debate for left politics anchored both in radical egalitarian democratic values and institutional realism.

FIGURES



