INTERROGATIONS, SESSION 5, OCTOBER 24 ENVISIONING REAL UTOPIAS SEMINAR

Abigail Andrews

Once again, I am concerned about the transnational implications of this analysis. How do we regulate public goods and bads that extend "outside" the nation-state, both geographically and historically – into other states and into the future? How do we incorporate the interests of those who can't participate, such as disabled people or children? [This is a very general and important issue for radical democratic theory: how do interests of actors who are not direct participants in some process get taken seriously in a deliberation. The key here, I think, is the understanding of how democratic deliberation works. If you see deliberation as simply a question of aggregation of self-interested claims by participants, then of course, interests not embodied in a participant will not be part of the deliberation and thus not part of the consensus formed through deliberation. But I don't think that is how deliberation at its best works. The process of deliberation involves dialogue that pushes actors to take more universalistic stances than they would in the absence of deliberation – to seek to discover general interests rather than just win a space for particular interests. This is how the interests of future generations can enter a present deliberation. Why should anyone today be concerned about depletion of natural resources unless they stretch their sense of interests into the future beyond their own lives. The same holds for the interests of people outside of one's own community or nation. Now: this is the ideal in a deliberative process, but of course in practice this is just an aspiration. The important question we need to ask sociologically in the "real utopias" spirit is this: are their institutional designs for the settings of deliberation which make it more likely that this universalistic quality of interests will prevail? How can we explain the likely variation in the narrowness or breadth of the search for a "general interest"? My hypothesis is that the more egalitarian, the more participatory, and the more democratic is the context for deliberation, the more likely it is that the culture of deliberation will support more universalistic understandings of interests.]

Likewise, how can social economy compete with transnational capitalism? Furthermore, how does this analysis of social economy dialogue with the kind of present-day colonialism associated with corporate globalization? How, as I asked in my last post, can social economy cum globalization from below challenge capitalist processes that are increasingly taking place beyond the realm of the state? I think we still face the question raised by Dmitri last session that when mobilization from below directly confronts economic elites' interests, such movements are likely to face repression or diminished spaces for action. [Social economy doesn't exactly "challenge" capitalism in the sense that by itself it could constitute the basis for a frontal assault on capitalism. Rather, the emergence and consolidation of a social economy constitutes one of the ways in which the lives

of ordinary people become less fully integrated into a subordinated to the needs of capital. Wikipedia – as an odd example of the social economy – reflects this: it is one of the ways in which the lives of people become less organized around a logic of profit-maximizing, exploitative market and production relations. This is true particularly for the producers of wiki entries, but also for the consumers. This is a small effect, but real. Of course capitalists hate this and act to counter such erosion of the market. This is why Napster was attacked and there is so much concern with shoring up intellectual property rights.]

As for social economy, what are the tradeoffs of supporting such a system? You lay out how school vouchers may seem positive but can also be an excuse to defund public services for the state to withdraw. It seems to me that a system has to be extraordinarily nuanced in order to support social economy without legitimating the state's "shirking" responsibilities it has historically fulfilled, including provide services or goods in a more egalitarian manner than a social economic system. In many cases, states have looked to "civil society" to replace their traditional function as providers of essential services. Civil society, some argue, can even prop up the expansion of capitalist markets. In another sense, endorsing a certain kind of civil society, such as the kinds of social economy described here, can serve to demarcate the space of "legitimate political action," relegating movements such as armed or religious challenges to power, or efforts to effect systemic change, among others, to the sphere of "illegitimate" resistance. [There is every reason to be nervous about the possibility of devolution of state responsibilities to civil society. This is one of the reasons why socialists and social democrats have both been so statist in their orientation: the belief is that if you can organize the delivery of a service through the state and institutionalize a proper set of rules, then you can somehow "lock in" the system to embody a particular set of interests once and for all. Statist solutions give the appearance of having more of a self-sustaining equilibrium to them than do solutions that rely more heavily on associational activity in civil society. This is one of the reasons why I am not an anarchist and why I believe that the state is critical for any project of sustainable democraticegalitarian social empowerment. What I like about the Quebec social economy is that the state figures very strongly in regulating and subsidizing the associational provision of services: standards are set from the state and subsidies used to underwrite the sustainability of cooperative services, but the actual delivery of the service is not organized by a state bureaucracy.]

Ofer Sharone

I find the proposal of universal basic income (UBI) particularly appealing because it is facilitative of flourishing in ways that even exceed egalitarian producer co-ops. By delinking activities from the need for money UBI solves the problem of meaningful work. If someone finds meaning in an activity that does not generate profits under capitalism, or for which they individually have little talent/skill, under UBI there would be no financial barrier to engaging in such activity. [Well, it would be better to say that it

significantly reduces the problem rather than completely eliminates financial barriers: many activities that people desperately want to engage in require capital assets of one sort or another. To produce a play requires a theater, not just a basic income for actors.] It also solves the problem of forced specialization. Human flourishing is arguably often not accomplished through paid work because paid work is designed with instrumental purposes in mind and not as an end in itself. Even the most creative and meaningful jobs in a producer co-op would likely have an efficiency bias that would push toward development of specialization. This in turn entails the need for people to think about one particular set of issues or situations repeatedly. I suspect for some people flourishing, by contrast to efficiency, requires engagement in a variety of activities, which UBI would allow.

While UBI would provide the material bases for such emancipation from the need to work for money, it remains an open question whether under these material conditions there would develop more ideological/cultural space for pursuing non-paid options. [I think the issue is how much more, rather than simply whether or not there would be more space. It is hard to imagine why reducing the barriers to self-directed nonmarket oriented activity wouldn't have some effect on increasing such activity given that with existing obstacles many people still try to do this. I suppose there could be some kind of perverse effects in which once something is made easier to do fewer people want to do it, but this does not seem likely.] Currently self-worth and legitimate citizenship are strongly tied to engagement in paid work. Would the optingout by some pioneering portion of the workforce to pursue non-paid activities lend more cultural legitimacy to a life that is not spent in paid work? Can the dilettante become respectable? [Two comments here: I would not associate the pursuit of non-market oriented work with being a dilettante. This work can still be dedicated and demanding. Second, the core of the effects of UBI is not exactly to enable people to engage in activities which generate no income – although it does that – but for the activity to be freed from the necessity of generating market income (this is what I mean by not having a market orientation). A social economy theater company with a UBI could still charge people for tickets, but a) the tickets would be cheaper, and b) ticket sales would no longer be the overriding concern of the group, and c) they could afford to experiment with plays that would not survive if the actors had to earn a living off of those slaes.]

As far as the potential problem of a labor shortage, can it not be argued that this is unlikely based on current labor market participation rates of people with lots of money? Essentially anyone with say half a million dollars in the bank can opt out of the labor force and live on interest. If the vast majority of working age people with such money continue to work, as I suspect they do, is that not enough evidence? Capital flight sounds like a more difficult objection. It can be obviated if most states got together and established UBI simultaneously, but this is unlikely. Clearly lots of service industries can't simply relocate so any flight would at most be partial. But even partial flight could be devastating enough in the short run to undermine UBI. How can this objection be responded to? Can states effectively limit capital mobility? Finally, a clarification: You claim that UBI would strengthen the Labor movement. Why is this necessarily the case?

Is it because workers in general would have more leverage with an "exit" option, or is there a more specific reason? [Two reasons for the strengthening of the labor movement: 1) tighter labor markets always strengthen unions, and 2) the UBI is like a permanent strike fund. On capital flight: the tax rates needed for UBI need not be directed at profits or capital: this can in principle be a question of redistribution among wage earners if wage earners see the collective advantage of the system. Also, the total tax burden on the economy will not be greater than the tax burden in the most advanced welfare states, and they exist without massive capital flight. On the labor supply issue: this is an ironic case in which consumerism facilitates a progressive innovation. Consumerism means that most people want a fair amount of discretionary income in order to enjoy the consumer paradise, so they will continue to want to work.]

Jorge Sola

1-In general I have found these economic proposals more ambitious and global than the political ones. However, the more interesting I thought the former were, the more disappointed I felt with regard to the latter ones. Let me explain it. Just as you did write once that "something like socialism is necessary for something like communism", it could be said that some more radical and related to State core reforms are necessary for the success of these economic proposals, such as Market Socialism or Basic Income. I am not sure that my criticism concerns only to the theory of transformation, but rather to the very stability and survival of such ambitious economic reforms. [this, of course, is the Big Issue: to what extent do we need a radically different form of the state before we can actually launch in a serious and sustainable way the building of socialist alternatives, even if we understand socialism in my socialism-as-social-empowerment framework. The central argument of the rupturalists is that in the absence of a rupture with the Capitalist state -- a specific "form of the state" that inherently reproduces capitalism – all socialist reforms will be unstable and will regress.]

2-With regard to the net effects of universal basic income on gender problems, I would add another thing. Basic income doesn't affect just gender inequalities, but also gender domination, by providing with some material basis of freedom to women. It allows that in some relations of potential domination (at home with her partner, at work with her boss, and so on) the fallback position of a woman is bigger, making the exit option more feasible. That is the same you say for the workers' case: basic income would redistribute the wealth and would reduce inequalities, but it also would improve the worker's position in face to their employers. Therefore, the employers' domination over workers would be lesser. So the same would happen with regard to women (recall one of the last Smhoos' frames you included in *Class Counts*). [I agree completely. Indeed, one could state this in the most general way – following Van Parijs – that UBI implies a distribution of "real freedom for all", where real freedom implies a capacity to avoid domination.]

For sure, I know that gender domination is more complex than the material issues, but they matter: especially in some contexts (male-bread-winner and traditional societies) and in some hard cases (domestic violence, sexual abuse at work, etc.)

3- Basic income, however, raises a problem you don't take into account. Every citizen would receive it. But unfortunately, in all developed countries there are many immigrant people who are not citizens. They don't have many citizenship rights. Therefore, they wouldn't receive the basic income. That is a big problem. You can say that it is, but it is not because of basic income. However, the basic income implementation in such case, where not everyone but only citizens were given a basic income, it would have perverse effects, as a deepening of social dual segmentation. [This is a complex issue. One could easily extend UBI to all permanent residents of a territory, excluding only tourists and temporary visitors. This is a natural implication of the egalitarian premises of the proposal. This would still leave the problem of illegal residents. This then poses the problem of what the "real utopian" regime of migration and residency rights should be. In principle I am entirely for open borders with everyone who is living within a territory for more than some specified length of time having full participation rights in all institutions – political as well as redistributive. That is clearly the principle most in keeping with the democratic egalitarian conception of justice. However, there are pragmatic reasons why this could be a bad idea because of the perverse, negative by-products of an open-border immigration regime would have, especially on small countries: the capacity of any community to absorb newcomers from very different cultural backgrounds depends upon the rate of inmigration. If that rate is too high, than absorption – by which I mean, integration into the political and social life of the community in a way that reinforces reciprocities and solidarities, both of which are necessary for the political sustainability of any process of social empowerment – breaks down. This means that restrictions on immigration are justifiable on sociological grounds, and this inherently means that there will be people excluded from any welfare state projects of whatever sort (since restrictions on immigration imply the presence of illegal immigrants). My view is that this is just one of the contradictions of a democratic egalitarian project of transformation, but that it is not a fatal flaw.

Dmitri Seals

Because this chapter is posed at least implicitly as a response to the book's broad critique of capitalism, I found myself measuring the proposals advanced here against the list of capitalist flaws from the second chapter. The initiatives for "social organization of power over the allocation of resources and control of production and distribution" center on redistributing wealth and economic power within an existing economy, and seem to deal little with the tendency of capitalist economies to expand and consume beyond their means: they concern the empowerment of workers (participatory planning and social capitalism, which seem similar enough [though outline form might hide important differences] that they might be merged), decentralizing corporate ownership (Roemer's

stock coupons), subsidizing and regulating the production of public goods (social economy) and the general redistribution of wealth (basic income). These are good steps; taken together they can address many of the endogenous human costs of capitalist economies. But aside from the implication that democratization can better solve all problems, how do these proposals address consumerism, environmental destruction, or economic imperialism? [I don't think that any of these ideas/designs affect consumerism, environmental destruction or warfare aside from the ways that they contribute to democratization. But that is a pretty central dimension of socialism: democratization as a basis for expansive problem-solving. I think the ways this would work in the pathways model is via social-democratic statist regulation - more environmental controls – and the weakening of the power of capital (which reduce the capacity of capital to block democracy). Roemer has a specific argument on this in a discussion of what he calls the production of "public bads" (the complement to public goods). His argument is that the power of capital increases the production of public bads because of the ways in which the concentrated wealth of capital enables it to influence the state. War-for-oil is one of his examples. His "coupon socialism" destroys that concentrated power and thus opens the space of democracy to have **deeper effects.**] Even worker-owned firms as you mention in the social economy section have a tendency to overstimulate demand and overconsume natural resources, and most firms regardless of classification tend to see the expansion of markets and sources of raw materials (e.g., economic imperialism) as a good thing.

Chewing on this issue made me think more seriously about the limitations of considering political action almost entirely within national boundaries. The book is right to worry that reforms in one country will lead to capital flight, as self-interested corporations realize that the pursuit of pure profit can best be taken up in states with as little social power as possible. And it seems to leave a large gap when it mentions the traditional argument that "a real deproletarianization [of] labor power is impossible within capitalism that the necessary condition for sustainable high-level universal basic income is significant political constraints over capital, especially over the flow of investments." Do these nation-scale recommendations need broader proposals (the Tobin tax comes to mind) to limit capital flight and push toward the global adoption of socialist economic reforms? [Of course global institutions – if they were under democratic control accountable to "the people" – would be a good thing, but in a world in which cpital flight was a real problem it is likely that global institutions would themselves be controlled by capital. It seems more likely that national solidarities can affect national states in ways which can undercut some of the mobility of capital. This is what happened in the past. But of course this is also problematic today because of the power of capital.]

A minor question related to capital flight: Roemer's proposal for expanding ownership of public corporations and most regulations of public corporations might drive corporations to "go private" (already becoming a trend in the US). Does this chapter assume (or support) the abolition or heavy regulation of private corporations over a certain size? Either way, it might help to be explicit on this point. [Roemer doesn't really have a transition model – how we go from privately owned corporations (i.e.

publicly trade corporations with private ownership of stock) – to his egalitarian ownership structure. Corporations "going private" – becoming closely held family firms or partnerships – would not be an option in his model *once it was institutionalized*. What transition mechanism would make all this a smooth process of change is not discussed. He proposed the model in the context of the collapse of the state owned command economy as a way of imaging their transformation into egalitarian forms of social ownership.]

Zachary Levenson

I am extremely skeptical of your whole cloth dismissal of state planning. If we reject this idea on the grounds that "few theorists today hold on to" it, mustn't we also let go of all attempts to formulate an alternative to capitalism? I also do not agree with the assertion that advocates of planning just don't exist. You cite Callinicos and Albert in this very manuscript! If you want your reader to reject centralized planning altogether, you need to open with a concise explication of your rationale. [You are probably right that I am a bit too unequivocal in my treatment of this issue, and I will certainly discuss the issues more systematically in the final draft. My objection is really to what could be called *comprehensive planning*, not to planning per se. I agree that a considerable amount of economic planning is both technically possible and certainly desirable if the idea of democratic power over the economy and state is to be meaningful. What I find problematic is the idea of detailed, comprehensive coordinated planning of the full gambit of economic activities and allocations. I think this is unnecessary and probably undesirable.]

I also think you need to include a more powerful defense of markets. More specifically, why wouldn't capital always seek the most productive outlet (possibly resulting in capital flight, as you rightly point out)? This, I would argue, is the key problem with guaranteed basic income. If wages resultantly rose substantially, why wouldn't capital flee overseas? How can we "socially" regulate capital? [The issue is not a defense of "markets" as such, but a defense of a role for markets within a complex configuration of economic structures and practices. This also does not necessarily imply a role for capital - i.e.privately owned accumulations of the fruits of investment beyond some very limited level. By a role for "markets" I mean a role for decentralized decisions about what to produce and what to exchange that are coordinate ex poste (after the fact) rather than ex ante. To take a simple example: if the people who run a restaurant (say as a cooperative) want to change its menu in response to what consumers seem to like and dislike, they should not have to check with anyone and they should be able to go to a store an purchase the necessary inputs. That store, seeing an increase in the sale of those ingredients should be able to order more without checking with anyone. Etc. That is all I mean by "a role for markets". This does not imply that the surplus generated through all of these activities will be owned by the firms and disposed of as they wish or anything like that.]

An analogous problem exists with Roemer's equal-asset market socialism. Assuming his rational choice model, why wouldn't individuals end up investing in "cash cows" at every opportunity? As you again rightly point out, this contradicts the basic logic of the model. And yet as long as this opportunity remains, I see no reason why these outlets wouldn't attract the bulk of coupons and ultimately drain state coffers until the system is no longer feasible. Why is this only "potential" and not assured? [That is why Roemer's model will require rules and monitoring, to prevent cashcowing the economy. This is pretty much like rules that prevent insider trading in publicly trade corporations: regulations to prevent an abuse of the established property rights regime. So this will be a heavily monitored and regulated economy, preventing the black market in coupons and the cashcowing of firms.]

Finally, I'm having trouble comprehending what switching from hierarchically organized firms to (internally) equitable cooperatives would accomplish if a market (and thus competitive pressures) were to remain. [Competitive pressure is not All or Nothing: iot comes in degrees, and this is crucial. Coops would operate in the context of a regulated market with soft competition. There would be taxation and redistribution mechanisms. All of this depends upon the intensity of competition, not simply its presence.] You touch on this critique in the section on social economy, but I don't think you go far enough. Certainly equitable redistribution would occur within cooperatives, but by no means between co-ops. Why wouldn't co-ops then replace individuals in an equally polarizing market distribution of wealth? That is, if competitive pressures remained between co-ops, there would remain a drive to maximize surplus value and drive the other co-op out of business, in effect generating the same logic of centralization of capital that exists under unreconstructed capitalism. In his recent book Build It Now, economist Michael Lebowitz raises some central questions that I think need to be addressed here: What should be done in a worker-managed enterprise when sales fall? What should be the role in worker management of competition between workers in different enterprises? Should worker-managed enterprises be allowed to fail? These are all important questions, but they apply equally to state owned enterprises with a central plan: should they be allowed to fail? What should happen when they produce things that no one wants? Etc. There is nothing specific about the presence of markets that bears on this, except perhaps that it might make it easier to see the problems and therefore take corrective action. Again: the issue is how to articulate democratic mechanisms, statist mechanisms and market mechanisms in the context of social ownership.]

Lina Hu

I am very excited to see the proposal of abolishing inheritance of "coupons" as a way of eliminating the central sources of inequality in capitalism. I believe this is a crucial step of annulling private property, but to do so, it seems inevitable to rethink the transformation of family since family in Engels's terms is the unit that reinforces the economic heritage of private property.

Erik stated that inequalities in coupon wealth will be fairly muted because no intergenerational transfers are allowed, and because the dollar-poor cannot act on the temptation to liquidate their coupon holdings for cash. However, as long as a market and family exists, I guess people will always try to find ways to hand on their economic property to their offspring. [I think the way to think about this is that individuals do not really "own" these shares in the sense of having full private property rights to them. They simply have a lifetime entitlement to the income – dividends – that the shares generate. This is like other kinds of entitlements that a person cannot pass on to heirs: social security entitlements, for example, cannot be transferred. This is part of the sense in which these become social property.]

Even if the state succeeds in enforcing the "missing market", what is the standard for state to redistribute the coupons to new generations? [The standard is pretty straightforward: the "coupon value" of the entire economy can be calculated on the basis of the share-value of all corporations that issue stocks (which are denominated in coupons). These will be all corporations above a certain size according to whatever are the rules of the game. That value is divided by the total adult population, and then every new adult is given their per capita share of the coupon value of the economy when they reach some specified age.] And if everything is regulated within the state boundary, what happens with the transnational market? For example, what if people purchase means of production from other countries and start private ownership again? [I do not know how this specific problem would be dealt with – whether there would be a separate regime of global coupon-capital ownership or what. Roemer didn't discuss that specific issue.]

Roi Livne

The 6th chapter of the book presents a wide variety of alternative economic arrangements. There is much to like in all of them and it would be very interesting to hear more about case-studies in which such programs were applied. I had three general thoughts about the chapter:

1. I think that the comment Kate made on Monday about the need to ensure the equal participation and influence of underprivileged populations in direct democracies is relevant here too. The technical and institutional discussion of how exactly economic systems should be constructed must take into consideration gender, ethnic and national categories and adjust economic systems to the social structure of specific communities. [This is obviously important as something to be dealt with by people committed to democratic egalitarianism. But does it necessarily have to be embodied in the institutional design itself? Is there anything in the institutional design of Basic Income which necessarily requires being specified with respect to race, gender, etc.?

- 2. Some of the forms of economic structures presented in this chapter give the impression that even though they propose more moral economic systems, they fail to develop alternative social and political agendas. For example, an unconditional living subsidy may be very efficient in solving poverty; yet, such a system will not necessarily help in building an alternative social and political order of solidarity and communality. In other words, I think we should be careful not to perpetuate the division between the social, the political and the economical: our economic models should address all of these issues at the same time. Subsidizing a living wage for the unemployed cannot work in a society that does not accept the morality of such system. [I think that a UBI could very strongly "help in building an alternative social and political order of solidarity and communality," at least if by "help" you mean "create conditions in which it is easier to struggle for these things." One of the things we want from an institutional design is not necessarily that it solves problems, but that it changes, in a favorable way, the terrain on which we struggle to solve problems. UBI does this by liberating time and energies from dependence on the market.]
- 3. I am not sure about this one, but it might be helpful to think of the different models Erik presents in terms of "micro" and "macro." I think that looking at these models through those terms may help us estimate their feasibility. Models such as "equal-asset market socialism" or "social capitalism" are solutions which require a conclusive almost revolutionary political reorganization. [Social capitalism is actually Although the very development of such ideas is highly important in its own right, I am quite doubtful about our chances to implement them in such a level. Ideas of "unconditional basic income" and specific programs of "participatory planning" are more specific in their goals and thus seem easier to advance through grassroots activism.

Heidy Sarabia

- 1. In the previous Ch. I got the sense that different strategies to democratize the state were based on scope. City/local vs. national. So my first question is, do you think strategies depend on the scope? With "electorate democracy" working as a national strategy and "participatory democracy" working more at the local level?
- 2. If there are different levels of strategy to democratize the state, are the different strategies to socially control the economy also based on scope? Where worker ownership works more at the local level, but a social economy would work better at the national level? Also, are some of these strategies necessary at the global level in order to be implemented (like the unconditional basic income)?
- 3. Finally, the issues of power dynamics. In the last chapter there is an assumption that everyone participating at a round table are participating on equal basis. Yet, people bring with them racialized and gendered notions of themselves and

others—as well as specific practices. I hope you do address how these issues will be addressed, because it has been my experience that even in highly progressive circles, when these issues are ignored I simply feel erased—not because I am fundamentally different to others, but because my communication style (as compared to others) makes my participation that much more difficult. While class is an important factor that shape power dynamics—such as race, gender, sexuality, and other issues—will not simply disappear under utopia unless we make a concerned effort to address them.

4. I am interested in how "citizens" are imagined. In a globalized world, where millions of people are not formally considered citizens, would the concept of citizenship as we know it changed in a utopia? If so, how? If we do not have "citizens" anymore, what would national borders mean? If we think about national strategies for institutional change, what does that mean for the concept of "citizenship"?

Adam Goldstein

The proposals and case studies presented in chapter 6 present a variety of different models for social empowerment in the economy, each of which incorporates social power at different loci in the economic structure. These models are consistent with the broader principle of pragmatic hybridity animating the Real Utopia project. Right now each is presented with little reference to the others. Although each model on its own may be vastly more desirable than the status quo, I nonetheless think it is important to think in comparative terms about what the various institutional designs can and cannot do. This may serve as a basis for thinking about which alternative designs would be more desirable than others from a standpoint of human flourishing in different situations. It is likely that issues of viability and achievability will ultimately determine the best strategy, but relative desirability may still be an issue. For instance, the Roemer model seeks to achieve egalitarian ends through redistribution of ownership rights at the societal level, while maintaining rather inegalitarian firm structures. On the other hand, models oriented toward economic democratization of production (i.e. worker cooperatives) may not produce more widespread egalitarian outcomes at the societal level, especially to the extent that they compete in a capitalist market. Which of these would be more desirable? To the extent that the answer is context-dependent, which aspects of existent structures are most relevant?

Thinking comparatively about alternative designs may serve as a basis to think also in combinatorial terms about different combinations of institutions to fill in the holes of the others. For instance, an argument can be made that the social economy model is really only viable for the provision of decentralized services (healthcare, childcare, schooling, etc.). Could that be combined with a different set of principles to organize other industrial sectors?