
INTRODUCTION: WHY REAL UTOPIAS?¹

There was a time, not so long ago, when both critics and defenders of capitalism believed that “another world was possible.” It was generally called “socialism.” While the right condemned socialism as violating individual rights to private property and unleashing monstrous forms of state oppression, and the left saw socialism as opening up new vistas of social equality, genuine freedom and the development of human potentials, both believed that a fundamental alternative to capitalism was possible.

Most people in the world today, especially in its economically developed regions, no longer believe in this possibility. Capitalism seems to them part of the natural order of things, and pessimism has replaced the optimism of the will that Gramsci once said would be essential if the world was to be transformed.

In this book I hope to contribute to rebuilding a sense of possibility for emancipatory social change by investigating the feasibility of radically different kinds of institutions and social relations that could potentially advance the democratic egalitarian goals historically associated with the idea of socialism. In part this investigation will be empirical, examining cases of institutional innovations that embody in one way or another emancipatory alternatives to the dominant forms of social organization. In part it will be more speculative, exploring theoretical proposals that have not yet been implemented but nevertheless are attentive to realistic problems of institutional design and social feasibility. The idea is to provide empirical and theoretical grounding for radical democratic egalitarian visions of an alternative social world.

1 Parts of this chapter appeared in the preface to the first volume in the Real Utopias Project, *Associations and Democracy*, by Joshua Cohen and Joel Rogers (London: Verso, 1995).

Four examples, which we will discuss in detail in later chapters, will give a sense of what this is all about:

1. Participatory city budgeting

In most cities in the world that are run by some form of elected government, city budgets are put together by the technical staff of the city's chief executive—usually a mayor. If the city also has an elected council, then this bureaucratically constructed budget is probably submitted to the council for modification and ratification. The basic shape of the budget is determined by the political agenda of the mayor and other dominant political forces working with economists, engineers, city planners, and other technocrats. That is the situation in the existing world.

Now, imagine the following alternative possible world: Instead of the city budget being formulated from the top down, suppose that the city is divided into a number of neighborhoods, and each neighborhood has a participatory budget assembly. Suppose also that there are a number of city-wide budget assemblies on various themes of interest to the entire municipality—cultural festivals, for example, or public transportation. The mandate for the participatory budget assemblies is to formulate concrete budget proposals, particularly for infrastructure projects of one sort or another, and submit them to a city-wide budget council. Any resident of the city can participate in the assemblies and vote on the proposals. They function rather like New England town meetings, except that they meet regularly over several months so that there is ample opportunity for proposals to be formulated and modified before being subjected to ratification. After ratifying these neighborhood and thematic budgets, the assemblies choose delegates to participate in the city-wide budget council for a few months until a coherent, consolidated city budget is adopted.

This model is in fact the reality in the city of Porto Alegre, Brazil. Before it was instituted in 1989 few people would have thought that a participatory budget could work in a relatively poor city of more than one and a half million people, in a country with weak democratic traditions, plagued by corruption and political patronage. It constitutes a form of direct, participatory democracy fundamentally at odds with the conventional way that social resources get allocated for alternative purposes in cities. We will discuss this case in some detail in chapter 6.

2. *Wikipedia*

Wikipedia is a large, free-wheeling internet encyclopedia. By mid-2009 it contained over 2.9 million English-language entries, making it the largest encyclopedia in the world. It is free to anyone on the planet who has access to the internet, which means that since the internet is now available in many libraries even in very poor countries, this vast store of information is potentially available without charge to anyone who needs it. In 2009, roughly 65 million people accessed Wikipedia monthly. The entries were composed by several hundred thousand unpaid volunteer editors. Any entry can be modified by an editor and those modifications modified in turn. While, as we will see in chapter 7, a variety of rules have evolved to deal with conflicts over content, Wikipedia has developed with an absolute minimum of monitoring and social control. And, to the surprise of most people, it is generally of fairly high quality. In a study reported in the journal *Nature*, in a selection of science topics the error rates in Wikipedia and the *Encyclopædia Britannica* were fairly similar.²

Wikipedia is a profoundly anti-capitalist way of producing and disseminating knowledge. It is based on the principle “to each according to need, from each according to ability.” No one gets paid for editing, no one gets charged for access. It is egalitarian and produced on the basis of horizontal reciprocities rather than hierarchical control. In the year 2000, before Wikipedia was launched, no one—including its founders—would have thought possible what has now come to be.

3. *The Mondragon worker-owned cooperatives*

The prevailing wisdom among economists is that, in a market economy, employee-owned and managed firms are only viable under special conditions. They need to be small and the labor force within the firm needs to be fairly homogeneous. They may be able to fill niches in a capitalist economy, but they will not be able to produce sophisticated products with capital intensive technologies involving complex divisions of labor. High levels of complexity require hierarchical power relations and capitalist property relations.

² See Jim Giles, “Special Report: Internet Encyclopaedias Go Head to Head,” *Nature* 438 (2005), pp. 900–1.

Mondragon is a conglomerate of worker-owned cooperatives in the Basque region of Spain. It was founded in the 1950s during the Franco dictatorship and is now the 7th largest business group in Spain and the largest in the Basque region with more than 40,000 worker-owner members.³ The conglomerate is made up of some 250 separate cooperative enterprises, each of which is employee-owned—there are no non-worker owners—producing a very wide range of goods and services: washing machines, auto-parts, banking, insurance, grocery stores. While, as we will see in chapter 7, it faces considerable challenges in the globalized market today, nevertheless the top management continues to be elected by the workers and major corporate decisions are made by a board of directors representing the members or by a general assembly of the members.

4. *Unconditional basic income*

The idea of an unconditional basic income (UBI) is quite simple: Every legal resident in a country receives a monthly living stipend sufficient to live above the “poverty line.” Let’s call this the “no frills culturally respectable standard of living.” The grant is *unconditional* on the performance of any labor or other form of contribution, and it is *universal*—everyone receives the grant, rich and poor alike. Grants go to individuals, not families. Parents are the custodians of underage children’s grants (which may be at a lower rate than the grants for adults).

Universalistic programs, like public education and health care, that provide services rather than cash, would continue alongside universal basic income, but with the latter in place, most other redistributive transfers would be eliminated—general welfare, family allowances, unemployment insurance, tax-based old age pensions—since the basic income grant would be sufficient to provide everyone with a decent subsistence. This means that in welfare systems that already provide generous antipoverty income support through a patchwork of specialized programs, the net increase in costs represented by universal unconditional basic income would not be large. Special needs subsidies of various sorts would continue—for example, for people with disabilities—but they would also be smaller than under current arrangements since

3 Mondragon Annual Report 2007, p. 3. Available at: <http://www.mcc.es/ing/magnitudes/memoria2007.pdf>.

the basic cost of living would be covered by the UBI. Minimum wage rules would be relaxed or eliminated since there would be little need to legally prohibit below-subsistence wages if all earnings, in effect, generated discretionary income. While everyone receives the grant as an unconditional right, most people at any given point in time would probably be net contributors since their taxes will rise by more than the basic income. Over time, however, most people will spend part of their lives as net beneficiaries and part of their lives as net contributors.

Unconditional basic income is a fundamental redesign of the system of income distribution. As we will see in detail in chapter 7, it has potentially profound ramifications for a democratic egalitarian transformation of capitalism: poverty is eliminated; the labor contract becomes more nearly voluntary since everyone has the option of exit; the power relations between workers and capitalists become less unequal, since workers, in effect, have an unconditional strike fund; the possibility of people forming cooperative associations to produce goods and services to serve human needs outside of the market increases since such activity no longer needs to provide the basic standard of living of participants.

No country has adopted an unconditional basic income, although the most generous welfare states have incomplete, fragmented versions and there has been one experimental pilot program for a basic income in a very poor country, Namibia.⁴ It is a theoretical proposal which necessarily involves some speculation about its dynamic effects. It thus could turn out that a generous basic income, if implemented, would not be viable—it might self-destruct because of all sorts of perverse effects. But, as I will argue later, there are also good reasons to believe that it would work and that it could constitute one of the cornerstones of another possible world.

These are all examples of what I will call “real utopias.” This may seem like a contradiction in terms. Utopias are fantasies, morally inspired designs for a humane world of peace and harmony unconstrained by realistic considerations of human psychology and social feasibility. Realists eschew such fantasies. What we need are hard-nosed proposals for pragmatically improving our

4 Claudia Haarmann, Dirk Haarmann, et al., “Making the Difference! The BIG in Namibia: Basic Income Grant Pilot Project Assessment Report, April 2009”; <http://www.bignam.org>.

institutions. Instead of indulging in utopian dreams we must accommodate ourselves to practical realities.

The idea of “real utopias” embraces this tension between dreams and practice. It is grounded in the belief that what is pragmatically possible is not fixed independently of our imaginations, but is itself shaped by our visions. Self-fulfilling prophecies are powerful forces in history, and while it may be naively optimistic to say “where there is a will there is a way,” it is certainly true that without a “will” many “ways” become impossible. Nurturing clear-sighted understandings of what it would take to create social institutions free of oppression is part of creating a political will for radical social changes to reduce oppression. A vital belief in a utopian ideal may be necessary to motivate people to set off on the journey from the status quo in the first place, even though the likely actual destination may fall short of the utopian ideal. Yet, vague utopian fantasies may lead us astray, encouraging us to embark on trips that have no real destinations at all, or, worse still, which lead us towards some unforeseen abyss. Along with “where there is a will there is a way,” the human struggle for emancipation confronts “the road to hell is paved with good intentions.” What we need, then, is “real utopias”: utopian ideals that are grounded in the real potentials of humanity, utopian destinations that have accessible waystations, utopian designs of institutions that can inform our practical tasks of navigating a world of imperfect conditions for social change.

The idea that social institutions can be rationally transformed in ways that enhance human well-being and happiness has a long and controversial history. On the one hand, radicals of diverse stripes have argued that social arrangements inherited from the past are not immutable facts of nature, but transformable human creations. Social institutions can be designed in ways that eliminate forms of oppression that thwart human aspirations towards living fulfilling and meaningful lives. The central task of emancipatory politics is to create such institutions.

On the other hand, conservatives have generally argued that grand designs for social reconstruction nearly always end in disaster. While contemporary social institutions may be far from perfect, they are generally serviceable. At least, it is argued, they provide the minimal conditions for social order and stable interactions. These institutions have evolved through a process of slow, incremental modification as people adapt social rules and practices to changing circumstances. The process is driven by

trial and error much more than by conscious design, and by and large those institutions that have endured have done so because they have enduring virtues. This does not preclude institutional change, even deliberate institutional change, but it does mean that such change should be very cautious and incremental and should not include wholesale transformations of existing arrangements.

At the heart of these alternative perspectives is a disagreement about the relationship between the intended and unintended consequences of deliberate efforts at social change. The conservative critique of radical projects is not mainly that the emancipatory goals of radicals are morally indefensible—although some conservatives criticize the underlying values of such projects as well—but that the uncontrollable, and usually negative, unintended consequences of these efforts at massive social change inevitably swamp the intended consequences. Radicals and revolutionaries suffer from what Frederick Hayek termed the “fatal conceit”—the mistaken belief that through rational calculation and political will, society can be designed in ways that will significantly improve the human condition.⁵ Incremental tinkering may not be inspiring, but it is the best we can do.

Of course, one can point out that many reforms favored by conservatives also have massive, destructive unintended consequences. The havoc created in many poor countries by World Bank structural adjustment programs would be an example. And furthermore, under certain circumstances conservatives themselves argue for radical, society-wide projects of institutional design, as in the catastrophic “shock therapy” strategy for transforming the command economy of the Soviet Union into free-market capitalism in the 1990s. Nevertheless, there is a certain apparent plausibility to the general claim by conservatives that the bigger the scale and scope of conscious projects of social change, the less likely it is that we will be able to predict ahead of time all of the ramifications of the changes involved.

Radicals on the left have generally rejected this vision of human possibility. Particularly in the Marxist tradition, radical intellectuals have insisted that wholesale redesign of social institutions is within the grasp of human beings. This does not mean, as Marx emphasized, that detailed institutional “blueprints” can be devised in advance of the opportunity to create an alternative. What can

5 Frederick A. Hayek, *The Fatal Conceit: The Errors of Socialism* (Chicago: University of Chicago Press, 1991).

be worked out are the core organizing principles of alternatives to existing institutions, the principles that would guide the pragmatic trial-and-error task of institution building. Of course, there will be unintended consequences of various sorts, but these can be dealt with as they arrive, “after the revolution.” The crucial point is that unintended consequences need not pose a fatal threat to the emancipatory projects themselves.

Regardless of which of these stances seems most plausible, the *belief* in the possibility of radical alternatives to existing institutions has played an important role in contemporary political life. It is likely that the political space for social democratic reforms was, at least in part, expanded because more radical ruptures with capitalism were seen as possible, and that possibility in turn depended crucially on many people believing that radical ruptures were workable. The *belief* in the viability of revolutionary socialism, especially when backed by the grand historical experiments in the USSR and elsewhere, enhanced the *achievability* of reformist social democracy as a form of class compromise. The political conditions for progressive tinkering with social arrangements, therefore, may depend in significant ways on the presence of more radical visions of possible transformations. This does not mean, of course, that false beliefs about what is possible are to be supported simply because they are thought to have desirable consequences, but it does suggest that plausible visions of radical alternatives, with firm theoretical foundations, are an important condition for emancipatory social change.

We now live in a world in which these radical visions are often mocked rather than taken seriously. Along with the postmodernist rejection of “grand narratives,” there is an ideological rejection of grand designs, even by many people still on the left of the political spectrum. This need not mean an abandonment of deeply egalitarian emancipatory values, but it does reflect a cynicism about the human capacity to realize those values on a substantial scale. This cynicism, in turn, weakens progressive political forces in general.

This book is an effort to counter such cynicism by elaborating a general framework for systematically exploring alternatives that embody the idea of “real utopia.” We will begin in chapter 2 by embedding the specific problem of envisioning real utopias within a broader framework of “emancipatory social science.” This framework is built around three tasks: diagnosis and critique; formulating alternatives; and elaborating strategies of transformation. These three tasks define the agendas of the three main

parts of the book. Part I of the book (chapter 3) presents the basic diagnosis and critique of capitalism that animates the search for real utopian alternatives. Part II then discusses the problem of alternatives. Chapter 4 reviews the traditional Marxist approach to thinking about alternatives and shows why this approach is unsatisfactory. Chapter 5 elaborates an alternative strategy of analysis, anchored in the idea that socialism, as an alternative to capitalism, should be understood as a process of increasing social empowerment over state and economy. Chapters 6 and 7 explore a range of concrete proposals for institutional design in terms of this concept of social empowerment, the first of these chapters focusing on the problem of social empowerment and the state, and the second on the problem of social empowerment and the economy. Part III of the book turns to the problem of transformation—how to understand the process by which these real utopian alternatives could be brought about. Chapter 8 lays out the central elements of a theory of social transformation. Chapters 9 through 11 then examine three different broad strategies of emancipatory transformation—ruptural transformation (chapter 9), interstitial transformation (chapter 10), and symbiotic transformation (chapter 11). The book concludes with chapter 12, which distills the core arguments into seven key lessons.