

# The Impossibility of Politics and How to Make Politics Possible

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Politicians are not dumber than other human beings. They are no more wicked or greedier, no more mendacious. Of course among them there are stupid people, evil people, greedy people, and liars. But everywhere there are. Everywhere there are also intelligent, benevolent, generous and honest people. I suggest that what most distinguishes politicians from the practitioners of other trades and professions is not the presence or absence of any mental or moral quality but rather the fact that they attempt to achieve objectives that in the age in which we live cannot be achieved. Politicians might be joined in the category of practitioners of the impossible by medical doctors if it were imagined that the task of medicine is to prevent death. But medicine does not in fact seek immortality for its patients, but only to achieve for them a healthy life during the years prior to the inevitable fatal outcome of every human life. Politicians, in contrast, seek to govern. Governing is impossible.

The thesis that politics today is impossible (or stated a bit less briefly, that the goals that politics sets out to achieve are unattainable) is so far more a provocation than a hypothesis. To make it into a meaningful claim I have to assign meanings to the word "politics" and to the word "impossible." Only when there is some conceptual clarity concerning what my thesis affirms and what it denies will it be time to give reasons for believing it or not believing it.

I begin with the word "politics". The English language does not allow me to assign any meaning to that word that I may fancy, but neither does it limit me to only one option. There is a vast literature on politics and political science. Although most of it I have not read, I have read enough to know that there are many definitions of politics. Many revolve around something called "power". The definitions never stand alone. They are always embedded in theoretical contexts, in historical contexts, in their authors' *Sitzen im Leben*, in academic *Methodenstreiten* and/or in the *Weltanschauungen* prevailing at particular times and places. Without knowing these contexts one cannot appreciate the true dimensions of the thoughts summarized in a short definition.

Faced with a situation that does not give me either full freedom or a single command, my choice is to distill a definition of politics from two founding works of traditions that have given meaning to the English word "politics" and to its counterparts in other Western languages. They are *Politeia* by Plato and *Politiká* by Aristotle. Although the Greek words that are the titles of the two books are slightly different, they reveal that they deal with the same issues and that both are ancestors of the current word "politics." The practice of assigning to English translations of Plato's *Politeia* the title "The Republic" and only to the

*Politiká* of Aristotle the title "Politics" conceals similarities that the original Greek titles disclose.

I do not claim that my option to distill a definition of "political" from two founding texts of Western thought is the only permissible option. I maintain only that this option is within the range of permissible options. Then I will derive from texts of Jürgen Habermas, Michel Foucault and others grounds for assigning a specific meaning to the word "impossible."

### **Roots of the concept of politics (Part One): Plato**

I will call attention to a few key points in Plato's *Politeia*. I highly recommend reading the entire work. I trust that a full reading will confirm the conclusions that I draw from my selections.

Plato's *Politeia* is divided into ten books, each a dialogue with various speakers. The first book already introduces typical themes of the philosophy of its author. What most needs to be investigated is justice (*dikaiosyne*) i.e. rules. In a first approximation justice is defined as "pay what you owe". Socrates, Plato's spokesperson poses a question: Put the case that you loan a friend a knife. Then the friend goes crazy and becomes dangerous. He demands what you owe him, the return of the knife. Should you return it? Of course not.

Thus another typical theme of Plato is introduced: Adjusting moral standards to the infinitely varied circumstances of human life requires necessary conversations, endless conversations, without unquestionable premises. The authority of those conversations is not located in any person, but in the logic of the arguments (the *logos*).

Still another typical platonic theme introduced in the first book is that each trade has a social function. The pilot, for example, serves to guide the ship safely to port. The authority of the pilot, as the authority of the doctor, derives from his special knowledge (*episteme*). Every special knowledge serves a good (*agathon*): in the case of the pilot safety on the voyage, in the case of the medical doctor health, and so on in the case of the other trades.

In the second book of *Politeia* Plato assumes a task that will occupy him until the end of the fourth book. It is the task of demonstrating that justice is a virtue with intrinsic value. Justice makes the just person better and happier, not only because of the external benefits of acquiring a good reputation, but also because of its effect on the person's very being, his very soul.

In order to carry out this demonstration Book Two takes a methodological turn: Since the word "right" or "just" describes equally the just state (*polis*) and the fair and just man, Plato turns next to building in his mind the parameters of an ideal state. Justice will be visible on a larger scale in that state. Then justice can be seen more clearly on the smaller scale of the individual. Here Plato again shows himself to be functionalist and pragmatic. Human action always has an end, a good, a *telos*. The real architects of a *polis* (city, state, society) are human needs. The first and greatest need is food. So there must be farmers. Then Socrates (Plato's faithful voice) lists other necessary specialists, ending with the office of guardian (*archon*). The *archon* is in charge of the defense and the good order of the polis. Now comes another methodological turn: now the key issue is the education of the guardians from their early childhood, since the good of the entire *polis* depends on the

character and knowledge of those in charge of organizing it. Again Plato calls for moral order. Since children like running and shouting, in their early education they must learn to dance and sing, in order to bring order to their running and shouting, and thus bring order to their souls. For the same purpose the tales that are told to children should tell no evil. They should be stories of the exploits of the good gods and of the good mortal heroes.

The third book is also mainly engaged with education, always starting from the premise that education should prepare the learner for the role she or he should play in the *polis*.

In the fourth book Plato declares that his plan for an ideal *polis* is now complete. Therefore the speakers in his imaginary dialogues are able to discern justice. It is now visible on a larger scale. Then they can discern justice also on the smaller scale of the individual.

Justice turns out to be organizing the *polis* so that everyone makes her or his specific contribution to the good of all. Socrates had previously used the example of a statue. A statue is not beautiful for its eyes. The eyes may be a beautiful color but the beauty of the statue does not depend on beautiful eyes alone. The statue is beautiful because of the harmony of all its parts.

Applied to the individual justice is self-government. According to Plato the soul has three parts and one part should govern the other two. Each person has a *logistiche psuche* (rational part of the soul) which should ensure good governance of the other two parts of the soul. The rational part should govern what for the sake of brevity and repeating my recommendation to read Plato's full text I will call the appetites and the emotions. The soul in turn governs the body. In this way Plato arrives at the end of his fourth book at his proof that the just person is happier than the unjust person. The just person is better governed and therefore happier. He will go on developing this central idea in the later books of the *Politeia*.

Both happiness and justice are found in order, but not in a cold order, but rather in an order heated by the warmth of brotherhood and illuminated by visions, like the vision of the Good later in *Politeia* and the vision of divine madness in a different dialogue, the *Phaedrus*. Unjust deeds may succeed in gaining for their doer passing pleasures, but they cannot bring happiness. Several times when contrasting pleasure with happiness Plato compares happiness to health. Both are well-governed and beautiful harmonies. Plato's well-governed beautiful harmonies anticipate what Sigmund Freud two thousand years later would call the sublimation of the erotic.

In the fifth book, Plato argues that in a *polis* there is no greater good than unity, no worse evil than discord. In the sixth book Plato compares the governance of a *polis* to the governance of a ship. Everything is good when the captain is a philosopher, a lover of wisdom. His very love of truth makes wisdom both an intellectual and a practical virtue. There is all the more reason, then, why in the sixth, seventh and following books, the *Politeia* is dedicated to the education of the philosopher who is destined to rule,

Education begins with music. (Music is a category in Plato's thought that includes stories.) It goes on with physical and military training and then to mathematics and, finally, to a dialectic that finds the ultimate foundations of the principles of other sciences. The education of the guardians culminates in the vision of a Good that is both beauty and truth.

The government led by these philosopher-kings (sometimes Plato seems to think of just one) is a guarantee of unity, harmony, order, and balance. In the eighth and ninth book, Plato contrasts the just with four types of unjust *polis*. Each form of unjust state corresponds to an unhealthy individual personality. It is unhealthy because it is dominated by appetites and / or emotions that should not be rulers. What should be ruled rules. The appetites and emotions should be governed by the *logistiche psuche* and, therefore, by the Good.

Having designed for an imaginary perfect *polis* an ideal form of education, Plato devotes himself in the tenth and final book of the *Politeia* to the criticism of the most common form of education he observed around him. This education centered on the reading of the *Iliad* and the other great poems of ancient Greece. Socrates asks if anything useful was ever produced by Homer, any good in peace or any victory in war. He asks if a poet has ever found a cure for a patient or invented a tool for a craftsman.

Once again showing Plato's pragmatism, his spokesperson in the dialogue Socrates says that it is in use that the true principle of knowledge is to be found. It is not the one who makes a flute who knows the truth of the flute. It is the piper. The truth of the flute is known to the piper who plays it and who instructs its manufacturer. Even farther from the truth are the imitators, the painter who paints a picture of a flute or the writer who writes poetry about flutes. (Here in Plato's discussion of the primacy of use we can see why the ideal education of the philosopher-king was an education culminating in a vision of the Good, and not as one might have expected in a vision of Truth or a vision of God.) The mere poetic fantasies of the imitators belong to those parts of the soul that are to be governed, to the appetites and the emotions. So if poetry were to be the basis of education, the *polis* would be governed not by law and reason, but by pleasure and pain.

### **Roots of the concept of politics (Part Two): Aristotle**

The *Politiká* of Aristotle consists of eight books. It is a treatise that comes after having been previously announced, as the coming of Jesus was previously announced by John the Baptist. Towards the end of his main treatise on ethics Aristotle he says that to complete ethics he must now move on to politics. Before the first word of its first book *Politiká* is already defined as the continuation of ethics.

In the first book Aristotle says that man is an animal that lives in a *polis*. Translated another way man is a political animal. Humans form families. Then they form villages or neighborhoods. Finally to achieve a full good life they combine in a political community (a *polis*). The basic relationships are formed in the family. These are the free person-slave relationship, the adult-child relationship, the man-woman relationship, and the relationship of all the family to its property. It is noteworthy that for Aristotle much depends on what is natural and what is not natural. According to Aristotle slavery is natural. That men and not women command in the home is natural. Money growing into more money because of charging interest on loans is not natural. Selling in order to buy something to use is natural. Buying in order to sell the thing you bought later at a profit and thus accumulate more money is not natural.

In the second book Aristotle criticizes Plato who was his master and teacher. Plato exaggerates the value of unity and underestimates the value of plurality. Plurality is necessary for the *polis* to be self-sufficient; possessing all specialties required to meet its needs. Without the self-sufficiency achieved by plurality (what Adam Smith would later call the division of labor) the *polis* cannot govern itself in peacetime or defend itself in wartime. Private property is required because without private property the members who formed the *polis* to live well cannot practice the virtues of generosity and mutual aid.

In the third book Aristotle analyzes the different forms of constitutions. For him this is equivalent to analyzing the different concepts of justice. At one point he defines a *polis* as a community united by a common concept of justice. Nevertheless, there are unjust constitutions. They are those in which the authorities govern for the good of themselves and not for the common good. One just authority is a king. The corresponding rule by one unjust person is not a proper kingdom but a tyranny. The just authority of a small group is an aristocracy. If the small group is seeking its own interest and not the interest of the *polis*, then the (unjust) constitution is an oligarchy. Aristotle favors a certain level of political involvement by a relatively large number of members of the *polis*, namely those who have enough social status and enough resources to bear arms. To this type of government Aristotle gives the name that was the title of the literary masterpiece of Plato, *politeia*.

Although Aristotle favors a more participatory constitution than the just rule of one person or the just rule of a few, he is far from proposing the participation of the poor, workers, or women. In what he calls "democracy" he fears the possibility of an unjust form of government. In a democracy the poor rule. They may seek their own interests at the expense of the law. It appears to me that in the last analysis Aristotle thinks the best government is not government by one or by few or by many, but rather the rule of law and reason.

In more detailed discussions in the following books four, five, and six Aristotle qualifies all of the above. Perhaps most importantly he says that for a constitution to be stable it must respect the power of those who actually have the power.

Of all the books of *Politiká*, the seventh is the most similar to Plato's *Politeia*. In this book Aristotle is engaged in designing a good *polis*. He starts with the premise that to build a good *polis* one must first determine what a good life is. His reasoning is impeccable. If by definition a *polis* is a community (*koinonia*) of people who are associated in order to live a good life, then to design a good *polis* one needs to know first and foremost what a good life is. To rule (meaning to lead) one needs to know the point and purpose of the rules (where to lead to). Assuming this premise, Aristotle uses a main conclusion of his *Nicomachean Ethics*, a treatise that can be regarded as the Volume One of the *Politiká*, as the *Politiká* can be regarded as the Volume Two of Aristotle's *Ethics*.

All agree (as Aristotle recalls from his treatise on *Ethics*) that the purpose of life is the good, and that the good is happiness (*eudaimonia*). According to the analysis of Volume One happiness is a product of the practice of virtue. Therefore in Volume Two it is necessary to design the good *polis* making it in a place where its members practice virtue. Aristotle invokes the same principal virtues analyzed by Plato: wisdom, courage, temperance, justice.

To enjoy the free time to practice virtue, the members of the polis cannot be workers or merchants. Aristotle's (but not Plato's) tacit assumption appears to be that the polis is to be designed for the good of its upper class full members and not for the good of all. Of the six functions that need to be performed in any polis -which are agriculture, handicrafts, security, property management, worship of gods and government- the first two ought to be performed by slaves or by a subordinate working class. Bearing arms and therefore security is appropriate for young people; the worship of the gods corresponds to the elderly. Aristotle stops to consider whether the life worthy of being chosen by a free man already mature and not yet aged is the active life of one who manages property and governs public affairs, or the intellectual life of the philosopher devoted to the search for scientific truth. Without dismissing the merits of the active life, Aristotle tends to prefer the intellectual life.

In the eighth and final book, Aristotle states in categorical form that the education of the youth must be the first priority of the legislature. The good of the *polis* depends on the character of its citizens. Education is first and foremost character education. Education should be public, not private, and should be common to all members. Since education for the formation of habits necessarily precedes education for the development of conscious reasoning, the first steps in a child's education should teach gymnastics and sports. Aristotle highlights four major subject areas: 1. Reading and writing, 2. Physical training, 3. Drawing and 4. Music. The *Politiká* concludes with a long discussion of music in education. Aristotle distinguishes in detail what types of music are to be used in the education of young people and which are not. He quotes Homer: The best pastime happens when diners are seated at a banquet in good order listening to a singer.

What definition of "politics" can be distilled from the consideration of these two historical sources of the meaning of the word? In short we can say that politics is the art of governing. It is the art of guiding decisions and building institutions to meet basic needs such as food, and beyond meeting basic needs to live well. Politics is inseparable from ethics. It is inseparable from education. Bad and unjust governance occupies a somewhat anomalous conceptual space in between the presence of politics and its absence. It is in some sense politics because it governs. It is, however, not politics in the full sense of the word. In Aristotle's terms a tyrant is a degenerate king, not a real and proper king.

My distillation of a definition of politics from classic sources of the word filtered out slavery, exclusion of women and workers, etc. Here I confess that my procedure of "defining by distilling" is opportunistic. I want desire and long for a world that works for the good of all in harmony with nature. With this benevolent attitude I approach politics. I want a functionalist and teleological definition of it. In the writings of Plato and Aristotle I seek the support of two authorities who established and gave meaning to the word "politics." I find support, but I also encounter elements plainly at odds with the good of all, and these the sieve my distillation simply discards.

Our word "govern," comes from Greek and Latin *kubernao* and *gubernare*. Both mean "pilot a ship." We recall that both Plato and Aristotle cited the pilot as well the medical doctor and other professional specialists to establish the basic principle that knowledge is a source of legitimate authority. Knowledge (*episteme*) in turn serves the good (a practical good, in the pilot's case specifically the good of bringing the ship safely to port). The

pilot, and therefore the governor, and therefore the true politician --I conclude—exercise legitimate authority only if they serve the vital needs of the people.

### **The impossibility of politics today (Part One): Habermas**

Jürgen Habermas has argued in *The Legitimation Crisis* (1975) that the main role of government in our time has become to guide the economy to generate the welfare of all and specifically to generate a surplus to finance social spending. Habermas has already suggested that the failure to fulfill its main function undermines the legitimacy of governments. I will summarize his analysis.

Habermas believes that the fundamental mechanism of social evolution of the human species is that we are a species that learns. In principle we are able to organize social forms increasingly able to serve what he calls "generalizable interests." In other words society can in principle serve the interests of all. Thus in modern language he echoes the classical concept that identifies politics in its full sense with seeking the common good. Habermas wants desires and longs for respect for the dignity of each person.

He recognizes four general types of social formation in history:

First there are those communities that Emile Durkheim called "archaic." Their organizing principle is the division of labor by age and sex. Their institutional core is the kinship system -- the family, the clan, the tribe.

Secondly there are traditional societies. They are political societies in the sense that there are rulers and ruled, governors and those who are governed. Their organizing principle is class -- hierarchy. There are rulers and subjects. In such a context an Aristotle can investigate whether it would be more suitable to be governed by one person (a king); by an aristocracy, or by a larger group that includes all carrying weapons. Good governance is possible even when bad government is likely.

Let me observe that in a traditional society the sovereign can borrow for reasons of war or for other reasons. However debts cannot cause systemic crisis because the ruler can always change agreements modifying payments and even not pay. In 1345 when Edward III defaulted on his debts there was little his creditors could do about it. Creditors, even if rich, are subjects. When push comes to shove they have to accept their losses. The feudal principle that the kingdom belongs to the king, the empire to the emperor, is an active principle in theory and in practice, even though it may be resisted in theory and in practice by nobles and by merchants.

The third social formation is liberal capitalism. Its organizing principle is the relationship between wage labor and capital rooted in private law. Decisions on investment, production and distribution of goods are made by private individual or corporate persons. They operate without state intervention. However, somewhat paradoxically, it is state power that enforces the institutions that enable them to operate without state intervention. Their property rights and contract rights are institutionalized by the state in its territory. These rights frame and constitute markets for goods, labor, and capital. The institutional framework of a global

market also comes into being. In his account of liberal capitalism Habermas speaks of "depoliticizing" and of the anonymity of class power. The tax state (the state that lives by collecting taxes) becomes a complementary institution to a self-regulating market that is society's primary institution.

The fourth and last type of social formation is what Habermas called "late capitalism" (*Spätkapitalismus*), or "organized capitalism," or "capitalist organization" or "state-regulated capitalism." It is the social formation he is most interested in. It was the social formation of the advanced societies of the seventies of the twentieth century when Habermas wrote *The Legitimation Crisis*. Despite the recent neoliberal counter-revolution it remains, albeit with some modifications, still today our social formation.

Late capitalism is characterized on the one hand by the concentration of business, by large corporations, and by multinational and transnational conglomerates. With them comes the "organization" of the markets for goods, labor and capital. This means the end of competitive capitalism. It is characterized on the other hand by state intervention to correct market failures, which means the end of liberal capitalism.

Habermas uses a three-sector model to show typical features of the economy in advanced countries. He posits three sectors of approximately equal sizes:

1. A sector still regulated by competition, still regulated by the market. This sector is characterized by the intensive use of labor. It accumulates little capital. Profits are low. It provides many jobs at relatively low pay.
2. A sector oriented by the market strategies of the large oligopolistic firms. It is less labor intensive and more capital intensive. It is the most dynamic sector, with greater capacity for innovation and greater wealth. It is more internationalized and more unionized.
3. A public sector that includes organizations directly controlled by the state and also private firms that live on state purchases and subsidies, such as the arms and space industries and parts of scientific research and agriculture.

In such an economic system with three sectors, the deliberate private and public organization of economic activity partly replaces the competitive mechanism. The role of the government (what Habermas calls "the political-administrative system") in the economy is not primarily to be a welfare state. It is primarily to focus on improving the conditions for capital accumulation, for example by strengthening national competitiveness. It is the government's success in guiding the economic system towards increased productivity and profitability -- as the pilot of Plato guided the ship to port-- that makes it possible to fund a welfare state. The political-administrative system aims to ensure that there is a surplus available to pay the expenses of the state itself and also to pay the costs of the welfare state.

Besides the economic system and the political-administrative system Habermas recognizes a system of legitimation; in other words a cultural system. The coupling of the economic system to the political-administrative system repoliticizes the production relations that liberal capitalism had depoliticized. The system demands more legitimacy precisely when the cultural system is less able to perform its functions. The system demands more

legitimacy because the expansion of state activity brings a growing need for legitimation. The cultural system is less able to perform its functions because capitalism weakens traditional culture. The living conditions of late capitalism tend to weaken the rules that guide orderly coexistence (rules Habermas following Kant calls "practical reason.")

His three sector (private competitive, private oligopolistic, and public) and three system (economic, political-administrative, and cultural) analysis leads to his reasons for saying there is a legitimation crisis. The policy goals of government are unattainable in two ways: they are unattainable in the regulation of the economic system because of the legal framework of private property. They are also unattainable in satisfying the demands of the electorate. The voters are increasingly demanding their economic and social rights. Demands for the satisfaction of what Habermas calls "generalizable interests" (for example the interest of everyone in health) are often expressed in terms of rights (for example the right to health care). Giving the electorate what it wants and what it feels it has a right to becomes an unattainable objective. Let me elaborate.

Although the public may think that economic performance is determined by public policy, the truth is that the global economic process remains driven by private processes, and largely by unconscious processes of which the actors may not even be aware. State manipulation has narrow limits. The state cannot redistribute without triggering an investment strike that would paralyze the country, nor can it tap the resources of the large accumulated fortunes without provoking capital flight with the same effect. The state's capacity to manage or avoid the cyclical shocks of the accumulation process is also very limited. Its efforts to use public spending to compensate for the downswings of the private business cycle typically lead to aggravating inflation and / or to deepening the sea of debt in which the state is already drowning.

Although the dominant sector of the economy, the oligopolistic sector, is highly productive and although it provides the public with good quality goods at affordable prices, its way of operating is more knowledge intensive and capital intensive than labor intensive.

Further, its economic power resists the heavy taxes that could fund the state. On the contrary, given the intense international competition to attract investment from large companies, the state has to spend increasingly on infrastructure and other inducements in order to keep the economy going and growing.

The state has to compete with other states to attract investors, and it does so by reducing their tax rates. At the same time there is a tendency to produce more and more with less and less labor. There are growing numbers of people who are not living by wage labor and who are one way or another burdens the public budget must bear: the unemployed, criminals, police and soldiers, schoolchildren and students, pensioners, other kinds of beneficiaries of social security benefits, the physically sick, the mentally ill, the alcoholics and drug addicts, all the marginalized.

The gap between the limited possibilities to finance the state and the increasing burdens the state must bear produces a permanent fiscal crisis of the state.

Habermas also speaks in terms of a political dilemma of technocracy. One horn of the dilemma results in postponing the satisfaction of the legitimate and rightful demands of the

people. The other horn of the dilemma (the one that raises taxes to provide more funds for social programs) cripples economic growth. Whichever horn of the dilemma is chosen, the government falls into a deficit of legitimacy. An unbridgeable gulf between the benefits promised and the achievements produced inevitably disappoints the electorate.

Today, if I may footnote Habermas with an observation about the world in 2016, we can see the legitimacy deficit deepening in many countries in the face of the advance of an unstoppable juggernaut of crime and drugs. Crime and drugs become insurmountable problems within the existing social formation because of the chronic underfunding of the efforts of the political-administrative system to include the excluded, and because of the chronic weakness of a cultural system less and less able to instill the ethical principles that Habermas calls “practical reason.”

Habermas is of course not opposed to the re-politicizing of the economy, or to the welfare state, he doubts that they are sustainable because he is pessimistic, not because he yearns for a *laissez faire* neoliberal utopia.

Habermas sees the impossibility of politics today, its inability to practice the art of government by steering the ship of state to a safe port where all the passengers on it share in the good life, as manifested in the first instance in the economy. At a deeper level he sees that the ungovernability of the economy derives from its legal framework. It is civil law that sets the rules of the game for a playing field where individuals are expected to pursue individual interests. Although late capitalism is for Habermas a fourth type of social formation in history, it is one whose legal framework is still largely that of liberal capitalism.

Civil law is not only law. It is the codification of the moral force of an individualist ethics that is now deeply etched in the common sense of the people. According to Habermas the legitimation crisis in politics calls for a response at a level deeper than either economics or law. It is a crisis of ethics.

Habermas devoted much of his academic career after writing *The Legitimation Crisis* to overcoming both the shortcomings of libertarian individualist ethics, and the shortcomings of the many skepticisms which deny cognitive validity to any ethics whatsoever.

He sought to contribute to building a social ethic that would instill democratic solidarity without falling into collectivism. Seeking to avoid the collectivism denounced with plausible and persuasive reasoning by authors such as Hannah Arendt and Friedrich von Hayek, Habermas insists that one must understand the moral socialization of people as the shaping of their identities as free and responsible persons. He sought a rational ethic that would embrace the individual freedom cherished by modernity and at the same time underpin institutions able to meet the vital needs of human beings and of the biosphere.

A mélange of individualism and skepticism, and the legal and economic systems it supports (at least by throwing cold water on efforts to reform them) does neither. It serves neither freedom nor welfare. It serves a society that has come to be dominated in practice by exchange-value (i.e. market price). To rectify its shortcomings such a society must acknowledge that after all, as Adam Smith himself said, the whole point and purpose of exchange values is to achieve use values. As examples of use values Habermas mentions

health and environmental protection. He tends to see the reform of capitalism and the construction of democratic socialism as the growth of an ethics of use value and the withering away of domination by exchange value.

Fundamentally, what is most needed is a rational ethics that seeks consensus by appealing to facts and reasons. Humanity must rebuild itself as a species endowed with reason. From the origins of our species human action has been guided by cultural norms, but since the coming of modernity we can no longer accept cultural norms just because they are customary. In modernity and post-modernity norms must be and can be justifiable.

What is not needed is technocracy. The lived-worlds of people, the worlds people actually live in, are the places where the moral foundations of institutions are built. The necessary moral foundations of institutions are now being undermined by technocratic pseudoscientific systems that bypass the lived-worlds of people. They are both ineffective and intellectually indefensible. They are unable to integrate the motivations and identities of human beings with the functions human beings are expected to perform in our highly complex societies. In other words, if I may footnote Habermas again, technocratic pseudoscientific systems are unable to do what Plato said justice does.

Convinced that the legitimation crisis of late capitalism, and its necessary evolution towards post-capitalist economies, are profoundly ethical challenges, Habermas devotes the latter part of his book on the legitimation crisis – and much of the rest of his academic career-- to the construction of a communicative and cognitive ethics. He proposes that to be ethically valid a rule or an action must be one with which all those affected can agree as participants in rational discourse.

In his proposals for ethics and in many other ways Habermas shows perhaps not complete agreement but at any rate clear affinity with defining politics as the art of governing for the common good and as inseparable from ethics and from education.

### **The basic cultural structure of ungovernability: Foucault**

Let us take stock of where we are. Consider again why statecraft has become in late capitalism an art attempting the impossible. As I read Habermas the most fundamental failure is at the level of ethics. Politics is impossible because of an individualistic ethics embedded in the cultural substrate of the jurisprudence of bourgeois civil law. It is also impossible because of the skepticisms which deny the scientific validity of each and every one of the philosophies that seek to establish ethical principles on rational grounds. At a fundamental level the solution lies in the greatest legacy that Professor Habermas has left us: a cognitive ethics based on the conditions necessarily implied in all human communication, and also based on empirical findings in the field of the psychology of moral development.

I find in Habermas support for my proposal that politics in the sense of the word "politics" I have "distilled" from classical sources requires ethics. Aristotle already said it: "Among all living beings only humans have language. Of course the use of sounds to express pain and pleasure is also found in other animals, but the use of language that is appropriate to talk

about what is suitable and what is inconvenient, what is just and what is unjust, this belongs only to humans among living beings. We distinguish good from evil, right from wrong and other things of this nature. Common agreement on them is what organizes the domestic life of families and cities.”

In the times we live in day by day ungovernability usually manifests itself as inability to solve economic problems. In late capitalism the state assumes responsibility for guiding the economy. However, the global economic process remains driven mainly by private decisions.

State manipulation has narrow limits. The state cannot redistribute without triggering an investment strike that would paralyze the country, nor without provoking capital flight with the same effect. Nor can it brake the cyclical downturns of the accumulation process, although to some extent it can modify them at the cost of aggravating inflation and / or going deeper into debt. A growing gap between expenses and income produces a permanent fiscal crisis of the state.

Between the most visible level, the level of the permanent contradiction between social justice and economic imperatives, and the deepest level, the level of the constitutive liberal ethics of Western modernity and thus of the global economy, we find an intermediate level: the legal framework. Civil law delimits action fields for strategic pursuit of individual interests, depriving of resources and of motivation the collective pursuit of the common good. It is therefore appropriate as a next step in spelling out the meaning of my thesis that politics is impossible to investigate the history and to analyze the power of the legal framework of the civil law. The history (or “archaeology,” or “genealogy”) of liberal jurisprudence and its relationship to sovereign power were addressed by Michel Foucault in his course of lectures in the *Collège de France* in the winter of 1976.

The civil law that has provided the legal framework for the economy since the late Middle Ages until today prescribes the legal security of property, the mandatory enforcement of contracts, and the autonomy of the subjects who enter into relationships of buying and selling. It does not prescribe the strict duties of reciprocity and redistribution that organized societies whose basis was kinship. (Here I am assuming that to analyze the evolution of European institutions is to analyze the development of the institutional foundations of today's global economy.)

Max Weber in his great work *Economy and Society* shows that without civil law principles largely derived from Rome the capitalist economy and therefore modernity would have been impossible. Without them there is no economic rationality. The consequences of economic decisions are not *kalkulierbar*. Karl Polanyi in his great work *The Great Transformation* wrote the story of the decline of reciprocity and redistribution. Michel Foucault took up aspects of these same topics in eleven lectures given between January 7 and March 17, 1976 not precisely to investigate the capitalist economy but rather to investigate its indispensable prerequisite: namely, the sovereign power that establishes and ensures its basic legal structure. His starting point is that to carry out a concrete analysis of power relations one must abandon the juridical model of sovereignty.

The juridical model of sovereignty is a contract model. It is a model of autonomous people who by mutual agreement make a transaction similar to a purchase and sale. They commit themselves to abide by an agreement that all its parties agree to. In the mythology of early modernity which is still powerful to this day sovereign power was created by an original social contract.

Foucault at the beginning of the course in January 1976 wants to discredit the juridical model of sovereignty especially as it constitutes the legal framework of the market. The mythological contracts of early modernity did not just establish who was king; they also established the conditions under which the king's rule was legitimate, and these conditions included the king's respect for the property and contract rights that constituted markets. The autonomous legal subject was both the presupposition and the result of the social contract. Thus the juridical model of sovereignty establishes the foundations of an economic concept of power, whether liberal or Marxist.

Since Foucault was looking for a non-economic concept of power, he was forced to seek a non-legal concept of power. (Why he was looking for a non-economic concept of power is explained in detail in a forthcoming book on Foucault; suffice it to say for now that he says it is what he is looking for in his *Collège de France* lectures of January 1976.) The legal model of power founds power on a social contract. This same social contract founded market fundamentals: property, the autonomous legal subject, and contract --most relevantly those contracts that are sales (from the seller's point of view) and purchases (from the viewpoint of the buyer). Foucault is right. Indeed those economic interpretations of history that explain the events observed by causes attributed to market forces presuppose the legal framework constituting the market forces.

Foucault asks. How can I make a non-economic analysis of power? Necessarily he must do an analysis of power that is not a legal analysis of a social contract creating sovereignty. He must show that it is not law that creates power. His analysis will be a genealogy and an endorsement of discourse that says that power creates law.

The discourse that Foucault will describe and praise he calls "historical-political." To understand the meaning of his phrase "historical -political discourse" we must first understand that for Foucault power makes truth. Power is not imposed by sheer physical strength. To ensure its dominance power invents knowledge. It invents stories making cognitive claims that pass for certainties.

The political -historical discourses whose history Foucault portrays in his lectures at the *Collège de France* in the winter of 1976 are among the knowledges that produce power. Foucault is not talking about politics in the sense of statecraft we have distilled from the Greek classics. His phrase "historical- political discourse" denotes texts that claim to be true histories deployed as weapons in power struggles.

Chief among the political- historical texts Foucault analyzes are stories about wars between races. Authors linked to power composed chronicles of the wars of the Frankish race against race of the Gauls. They winners were the Franks. This political-historical discourse explains why in France at that time (the time when the chronicles of the race wars between Franks and Gauls circulated) the aristocracy was composed of Franks and the Gauls were

subjects. The war established the sovereign power. The historical-political discourse reinforces the sovereign power by telling the story of its origin, often adding details that are pure fantasy.

Although many of the details may be fantasies, Foucault agrees with the chroniclers that wars and not contracts establish sovereignty. Sovereign power is established by war in more than one sense. Foucault finds that late medieval historical-political texts often use war as "analyzer" of society. War stories explain the existence of social classes; they explain the monarchy and the nobility and overall power relations. Neither the old-time authors studied nor the contemporary author who studies them, Foucault himself, believes that laws and governments are born in a state of nature imagined by a philosopher like Hobbes, Locke or Rousseau. Laws and governments are born in specific real wars and battles; amid expeditions, conquests, and burning cities. War continues to act with full ardor in peacetime. It is installed within the mechanisms of power. It is the engine that drives laws and states and human institutions generally.

Political-historical discourses weave fantasies together in order to interpret the past and organize the present. Power produces truth. It draws renewed strength from the truth it makes. The large mirror of its misrepresentations that pose as true science teaches nevertheless something that is truer than the juridical model of sovereignty: the wars establish the institutions. Foucault emphasizes that the term "war" refers not only to the battle, the conquest, the invasion, etc., but also to all the bellicose relationships in time of peace that shape all the other struggles, all the other confrontations either by way of direct consequences of battles and conquests, or through a series of movements, changes and displacements of the balance of power.

The great historical stories of antiquity were, according to Foucault, self-glorification. They were written by power, of power, for power. (Virgil's Aeneid is perhaps an example of what Foucault had in mind.) Foucault analyzes in detail the works of Count de Boulainvilliers, who in 1733 published a history of France in three volumes, because Boulainvilliers represented something new.

Boulainvilliers weaves a historical political discourse to serve the interests of a resentful nobility. He recounts on page after page heinous encroachments on the rights and privileges of his own class, a warrior class that had become a landed aristocracy. On his account for several centuries a series of despotic monarchs allied with the officials of the state administrative apparatus and allied with an increasingly powerful commercial bourgeoisie had contrived and conspired to despoil the nobility.

The political-historical discourse of Boulainvilliers was a counter-discourse. It articulated the contours of a socially divided kingdom. Now France included different "nations" or "societies" or "classes." The various powers facing each other could develop different knowledges. Boulainvilliers, with his sophisticated propaganda written to serve the interests of the extreme right, opens the way for the popular anti-king rhetoric of the French Revolution of 1789. He opens the way for the proletarian knowledge that would articulate socialist thought and organize the class struggles of the nineteenth century.

In the broader context opened up by his research on the history of political thought, Foucault returns in his lectures of March 1976 to the juridical model of sovereignty. He considers again the same juridical model of sovereignty -- the same anti-historical-political discourse-- that in January 1976 he had declared his intention to abandon. Now it appears in a different light. The anti-historical or ahistorical juridical model of sovereignty based on imaginary contracts and on parochial legal principles pretending to be eternal and universal returns to the stage. This time it is a weapon of war in the hands of the victorious warriors who founded our modernity.

Foucault considers the different versions of historical knowledge circulating in France in the century before the revolution of 1789. Each version of history corresponds to a political tactic.

According to historians anticipating the theses of the Third Estate (the bourgeoisie) the conquest of the Gauls by the Franks never happened. Nor did anything like it happen. On the contrary, the ancient Gauls lived in peace and prosperity under the protection of benevolent Roman emperors. The emperors respected a Roman Law that both authorized their own rule and guaranteed commercial liberty in the cities of their empire. The freedom of the cities from the abuses of the feudal lords who ruled the countryside was consistent with sovereignty as defined by the empire's legal framework. The same law established the monarchy and the market. These historians saw in the past what they wanted in the present: a strong king who could quell the arrogance of the nobility, who was authorized to be the king and at the same time limited in his royal powers by a legal system that made urban merchants secure.

Foucault goes on to discuss the ideas of "barbarian" and "savage" in the political-historical discourses of France in the century before the revolution. Although at first glance one might take the barbarians and the savages to be the same people differently named, Foucault's analysis shows that the role of the two words in 18<sup>th</sup> century ideological warfare was much different from the role of two signifiers naming the same referent. Those who speak of the barbarian warriors from across the Rhine who invaded France, defeated the Gauls, and established hierarchy, aristocracy, and monarchy are the conservatives. Like Bouliantvilliers they are in favor of maintaining the warrior spirit they attribute to the barbarians. They teach that equality is the ruin of states. Equality is the way to despotism and to weakness.

The savage, on the other hand, according to Foucault, is an essential element of the legal model of sovereign power. The savage is the natural man. He is an ideal man invented by economists, a man who has no history and no past, a man who is moved only by self-interest, who lives only by exchanging the product of his labor for the product of another's labor. The savage is essentially the man of exchange; he is the exchanger of property rights. As exchanger of rights, he founded society. He founded sovereignty. As exchanger of goods, the savage forms a social body that is at the same time an economic body.

In this war between historical-political discourses --or on this discursive front of a more general civil war-- we know who won. The third estate won. The absolute monarchs and the feudal lords lost what was left of their unlimited powers. They lost not only in 1789. Long before then there began a process of setting limits to the powers of kings and nobles.

Long before them the legitimacy of sovereignty had come to depend on concepts of sovereign power that set limits to it, including precisely those limits that make economies ungovernable today and thus make politics impossible. Over the course of recent centuries a juridical model of sovereignty has become deeply rooted in the minds and hearts of the people-and not without bloodshed. Many have died on battlefields in Europe and around the world to establish the duty of the ruler to respect the rights of the ruled. If we did not know previously, we know from the analysis of Habermas that these customary norms deeply rooted in the hearts and minds of the people and made sacred by the blood of martyrs are customary norms with both lights and shadows.

Foucault's argument for his thesis that power creates law, and not law power, concludes by acknowledging that in fact supporters of the liberal rule of law with all its lights and shadows usually win wars.

In November of the same year 1976 Michel Foucault published *La Volonté de Savoir*. There Foucault acknowledges again that European institutions (and thus the global economy) operate within a liberal legal framework that rests logically on a juridical model of sovereignty in the following words: "... the Western monarchies were built as systems of law, and conceived through theories of law. Their mechanisms of power function according to the form of law. The old reproach of the French monarchy made by Boulainvilliers –that the monarchy used law to abolish the rights and to reduce the power of the aristocracy is roughly correct ... The history of the monarchy and the clothing of the facts and procedures of power in the garb of legal and political discourse were things that marched in unison. "

### **The Impossibility of Politics (Part Two): Michal Kalecki and Jeffrey Winters**

In the light of these contributions from Jürgen Habermas (H) and Michel Foucault (F) we can further clarify the meaning of "impossible" in my thesis that today politics is impossible. Rather than repeat again my comments on H and F, I will discuss other authors, first of all Michal Kalecki, in the light of H and F.

Kalecki, writing in the thirties and forties of the twentieth century, suggests that in a liberal economy capital has what he calls a powerful indirect veto on the actions of any government.

The social contract -the contract that F called the juridical model of sovereign power- is fictitious but nevertheless effective. While it defines the sovereign power it sets limits to the sovereign power. The same social contract establishes the legitimacy of the state and guarantees the liberties of citizens. Here unpacking the meaning of "liberty" gives us the constitutive rules of the market. Kalecki observed that in a *laissez faire* system constituted by those liberties, production depends on confidence. It depends on the confidence that consumers will buy, the confidence that investors will invest, the confidence that banks will be solvent and will not be forced to close by the massive withdrawal of money from their accounts, on the confidence that there will be a sufficiently wide margin between production costs and selling prices, on the confidence that overdue accounts are going to be paid, and on a thousand other kinds of confidence. At bottom production depends on profit. It is slowed and eventually stopped by any weakening of confidence that threatens profits.

The state has become (to recall what H says about his third social formation, liberal capitalism) a mere complementary institution to an economic machine whose engine is confidence. In its capacity as a complementary institution, the government (even in H's fourth social formation, late capitalism) dares not do anything that would lower confidence. On the contrary, the elected representatives of the people spend their days desperately contriving measures to raise confidence. They panic when they fail and confidence falls, fearing that it may collapse and with it the economy and their political careers. Thus the economic (read physical) necessity of confidence gives capital a powerful indirect veto over public policy.

Kalecki understands democratic politics as an endless inconclusive class struggle. It is a perpetually unfinished battle between the workers who have almost all the votes and the owners who have almost all the money. Although the list of possible options is made shorter by the indirect veto capital always possesses, nevertheless electoral majorities count. When elections are approaching and in certain other circumstances, governments tend to allocate more resources to the welfare of the majority. There is a trend towards less inequality. But it is not sustainable. Renewing the dynamism of an economy where confidence is flagging because the pie of the social surplus is being sliced in favor of labor requires greater inequality again. Both sides have a share of power. Neither one nor the other wins a final victory.

Half a century after Kalecki the research findings and the reasoning of Jeffrey Winters have cast his political analysis of in a new light. Winters' describes the beginning of an era he calls the time of "the locational revolution." Others call it "globalization."

Due to the locational revolution voting citizens have lost the (always limited) power they used to have – through the legislators and heads of state they elected – to write the rules of the economic game they play.

The locational revolution means that to an ever increasing extent capital decides what the rules of the economic game will be when it decides where to locate. The world has become a global market. It is not only goods and services that are for sale in it. Laws are for sale too. The liberties of the merchants of Gaul who lived under the protection of Roman Law within the confines of urban spaces exempt from domination by the privileged nobility who ruled the surrounding countryside have grown. They have ballooned. They have exploded to a planetary scale. Those liberties (in other words, the legal framework which defines the market) have metamorphosed from being the norms of particular places within kingdoms, to being the universal norms to which every king (and every republic) must bow. The contents have become the container.

The locational revolution is just beginning. Its long-term consequences will be more severe than its consequences already evident.

The legislative powers of the 196 countries in the world have become manufacturers of laws whose main consumers are the transnational corporations. The world has become a law market where nations are sellers and companies are buyers. Companies choose which laws they will obey as housewives choose which brand of detergent will buy from the shelves of supermarkets. Capital withdraws from countries where the laws do not suit it,

forcing each of the 196 legislative powers to change their laws. Legislators outdo themselves to produce products that will be attractive to those who judge their products and decide whether to buy them.

To be more precise, capital often does not simply withdraw from a country whose laws dictate high wages and high taxes to finance a welfare state. What it often does is locate production in one country, sell in another country, and declare profits in a third country. The accounting practices and the political negotiations through which this is accomplished are somewhat complex and need not detain us. Production tends to happen where the quality of labor is high and its price is low. Taxes on profits tend to be paid where taxes are low or nonexistent. Similar remarks might be made regarding the owners of accumulated fortunes who are not themselves directly involved in production.

Competition among 196 countries in the market for laws obliges countries with high wages and high taxes to lower them. In the future it will no longer be possible to be simultaneously a welfare state and internationally competitive. The future is already starting to arrive.

The perennial inconclusive battle between those who have almost all the votes and those who almost all the money described by Kalecki is no longer inconclusive. Those with the most votes lost.

The fiscal crisis of the state highlighted by H in the seventies of the last century has reached another level. In case after case (Japan, Italy, Greece, Portugal, France, United States ...) sovereign debts have become astronomical and unpayable.

If we still have the audacity to want to practice the art of politics – that art which guides public decisions and builds institutions to meet basic needs such as food and health care, and beyond that builds communities where people enjoy good and happy lives – we can no longer even imagine doing so without also imagining a happy resolution of the fiscal crisis of the state.

Let us remember and elaborate seven of H's reasons for speaking of a fiscal crisis of the state: (1) The rising cost of infrastructure, subsidies (including tax breaks), research and development, education, security, in many cases bribes and other expenses necessary to compete with 195 other states to attract business; (2) Similar costs are necessary not only to attract foreign investment, but also to retain national capital. Although the capital be native to local districts, it still has the option of locating its operations in 195 other territories. (3) The moral strength of the concept that every human being has economic and social rights leading to the principle that it is the duty of the state to be the guarantor of those rights. It is increasingly unacceptable that society abandon the needy. It becomes unacceptable, for example, not to pay for the education of poor youth who need education to compete in a knowledge society; (4) The highly technical nature and less labor intensive nature of late capitalism, now reaching another level with robotization, 3D printing, and artificial photosynthesis. There are increasing numbers of working poor, criminals, students, drug and alcohol addicts, prisoners, unemployed or precariously employed, military and police and guards, the institutionalized insane, and others who do not live by selling their labor in the labor market and who in one way or another strain public budgets; (5) Tax havens and

other loopholes that allow those who hold most of the wealth to evade sharing, (6) The progress of health sciences that makes medical care better but more expensive and enables elderly retirees to live longer; (7) The resulting indebtedness of the state. Not infrequently the sovereign becomes a royal beggar begging for new loans to make the payments on his previous loans.

It is difficult to imagine real solutions to the fiscal crisis of the state that would not be (or would not seem to be, or could not be attacked as) attacks on liberty. Whether it is bans on cross-border capital movements, or regulating transfer pricing, or tying capital to territories or limited functions, or raising inheritance taxes, or taxing directly large fortunes, or forcing the owners of intellectual property to allow its use at affordable prices, or setting minimum wages or maximum wages, or banning the importation of goods produced by super-exploited labor, or public policies favorable to labor unions or cooperatives, or capturing economic rents and using them to fund the social budget, or closing tax havens, or cooperating with other states to collect taxes rather than competing with other states by lowering taxes, or favoring the various tertiary sectors of the economy with special legislation to encourage them, or setting wages by collective bargaining and not by individual contracts, or mandating social and environmental accounting, or cancelling the debts of consumers or students or nations, etc. etc.

The historical research of F and others teaches us to fear the rhetorical power of the words “freedom” and “liberty.” Since medieval times they have been the war cries of commercial interests. In the late Middle Ages and in early modernity they were the war cries of cities (of *bourgs*, hence the French word *bourgeois*) rebelling against the nobility, first in alliance with the kings and later against the kings. The core of their meaning has always been commercial. When democracy came onto the stage of history, the sovereign people inherited the commitments made to the bourgeoisie by the sovereign monarch. They inherited the juridical model of sovereignty. Respect for freedom of trade has been etched into the constitutive norms of society for several centuries by jurisprudence by philosophy by science by religion and by force.

In the twentieth century there were those who identified the defense of democracy against the totalitarian Soviet and Nazi regimes with the defense of the liberal version of the rule of law. In the twenty first century important authors argue that the only legitimate democracy is a democracy that enforces not just any rule of law but specifically a liberal rule of law. Today the early twentieth century philosophy of sovereignty of Carl Schmitt has become fashionable again. According to Schmitt the sovereign it is the one or the group who has the power to declare a state of exception. Translated into practical terms – as it has been many times – doctrines like Schmitt’s mean that the military will declare a state of exception and suspend democracy when it deems it necessary to do so.

Thanks not only to H but also to Amartya Sen, Martha Nussbaum and others we can give newer and better meanings to the words “liberty” and “freedom.” Nevertheless, they remain haunted by the ghosts of their pasts. A liberal model of sovereignty is still entrenched in constitutional law. Statecraft today also collides with the economic science built on the foundations of liberal law and ethics. The doctrines of Adam Smith and Milton Friedman are more than faith in the efficiency of self-regulated markets. What Smith calls “natural liberty” is more than the basis of his science. It is more than Smith’s starting point

for building a science of natural rent, natural wages, natural prices and so on; as Isaac Newton built a science around three laws of mechanics, each of which permits the calculation of ideal quantities around which the observed facts fluctuate because of various distortions, but in the end converge toward their natural values.

When Adam Smith or his French contemporaries invoke “natural liberty” they invoke the war cry of the rising bourgeoisie of the 18<sup>th</sup> century, not long after “liberty” triumphed in the English “Glorious Revolution” of 1688, and not long before it would triumph again in the French Revolution of 1789. When Milton Friedman declares in the first chapter of *Capitalism and Freedom* that the economic theories he will spell out in the following chapters are logical consequences of the principle he starts with, and that the principle he starts with is the freedom of the individual, Friedman is telling the truth.

Although those of us who argue that neoliberal thinking like Friedman’s lacks scientific validity may be correct in theory, in fact today such thinking tends to dominate in practice. It prevails on the whole (with some nuances and some exceptions) in universities, in governments and in international organizations. Keynes’ argument that because the best way to reconcile justice and efficiency is not known, therefore nations and peoples should be left free to experiment with different economic and social models collides with a worldwide consensus among the powerful that the best way to reconcile justice and efficiency *is* known and the liberal economists know it. Statecraft collides with the enormous intellectual weight of the incumbent economic doctrine of the efficiency of free markets and the supposedly impeccable logic of the doctrine of comparative advantage. It also clashes with the military power that has so often imposed liberal economic science by violence. Perhaps even more importantly, politics as I have distilled it from classical sources collides day in and day out with the practical necessity of business confidence as anyone can confirm by reading the newspapers or watching the news on television. Falling prices in stock markets, capital flowing out, investments cancelled or postponed, and so on punish even small threats to confidence. The redistribution of wealth remains on the runway and never takes off. It never becomes airborne. It remains earthbound because of the credible threat that if redistribution ever flew confidence would crash. The inevitable defeat of the “populist politicians” who dare to challenge economic power, inevitably undermine confidence and inevitably end up causing disinvestment, shortages, unemployment, and inflation is already an old song that economists and political scientists know by heart.

In short, politics is impossible.

With the help of H, F, Kalecki and Winters, we can now specify a meaning for the word “impossible.” From H we have learned that the goals of politics are unattainable in two respects: they are unattainable in the regulation of the economic system because of the legal framework of private property. They are also unattainable in satisfying the demands of an electorate that demands its economic and social rights due to the same legal framework. From F we have learned that the juridical model of sovereignty is false but effective. It is the doctrine of the winners of yesterday’s wars. It is the stuff modern institutions are made of. From Kalecki we have learned that the economy does not move without confidence. Its insatiable appetite for confidence is a consequence of a dynamic of production driven by the logic of turning money into more money. This dynamic and this logic are presupposed

and propelled by liberal jurisprudence. From Foucault and others we know that historically we can speak of times when the liberal rule of law was establishing itself and constituting the forces that drive markets. From Winters we have learned a way of articulating something perhaps we already knew about our own times: because of a locational revolution it is now the market forces that decide which laws will be enacted, not the other way about.

Briefly put, "Impossible" means incompatible with the legal framework of the global marketplace. What is now impossible is what is incompatible with the now-prevailing liberal version of the rule of law, and incompatible with the juridical model of sovereignty that rationalizes it.

### **How to Make Politics Possible: The Trintabs of Unbounded Organization**

In the second book of *Politeia* Plato writes that the real architect of the polis is our needs. The first and greatest need is food. Then he says that is why the polis requires farmers, and then he says no more. He does not say whether the farmers will cultivate each his own plot. He does not say whether each house will have its own farmer or farmers. He does not say whether food production is to be concentrated on large estates, or whether it will be divided into small farms, or whether it harvest time it will be gathered into large granaries such as those of the Pharaohs of Egypt, or if it will be distributed in fixed proportions per person or per family, or distributed as agreed between merchants and buyers who bargain over prices, or distributed according to kinship relationships as established by custom, or distributed as decided by heads of households.

Nevertheless, Plato, in his silence and in his innocence in his *Sitz im Leben* two thousand years before liberal capitalism and almost 2500 years before the late capitalism, says what is most essential. The real architect of the rules that constitute a human society is need. This is why in the division of labor there must be some whose calling is agriculture. In general, for each trade (*techne*) there is a specialized knowledge (*episteme*) and a good (*agathon*). Living in his *Sitz im Leben* two thousand years before liberal capitalism Plato could not imagine that libertarian philosophers of the twentieth century would denounce the criterion that the needs of some people should give rise to duties of other people to act to meet those needs as an unacceptable attack on freedom. Still less could Plato imagine that the first theorem of welfare economics would be that a general market equilibrium is a Pareto optimum and therefore a maximum of human welfare.

The *Politeia* operates simultaneously on two planes. On one plane it is a book about social justice. Justice is the organization of the entire society so that each makes his specific contribution to the good of the whole society. On another level it is a book about the soul. The health of the soul depends on this very justice. A requirement of social justice, like the requirement that farmers acting in their specific role should provide food for all, is an ordering of souls. It defines the farmer's vocation. It defines his mission. It defines an essential element of what Emile Durkheim called social integration and of what we now call mental health.

Thus Plato anticipates what Gavin Andersson calls unbounded organization (UO). Although UO is more a worldview than a definable concept, it can be provisionally articulated in the following three principles:

1. Commitment to life. It is a commitment to work to meet (not just the physical but also the emotional and spiritual) vital needs of all human beings, and a commitment by humans to live in harmony with the other species that share the biosphere with them. (Anticipated by Plato in his postulate that the just *polis* is one that functions to meet needs).
2. An unlimited flexibility to organize and re-organize the institutions of society to improve their capacity to serve life. (Anticipated by Plato in Book Two by his silence. However, in another dialogue, *The Laws*, Plato displays a quite alarming rigidity. The systematic unending improvement of institutions in the light of democratic debate and scientific research is in fact usually associated with the open society of Karl Popper who hated Plato with a passion; and with the experimental society of John Dewey who did not think much of Plato either).
3. Alignment across the different sectors of society in the service of the common good. (Anticipated by Plato in his definition of justice and in the alignment he describes between justice in the state and justice in the individual soul.)

Unlimited organization (UO) is a functionalist, pragmatic and constructivist worldview. In theory it overcomes the limitations of the liberal rule of law founded on the juridical model of sovereignty. It makes it clear that institutions have a purpose: to build a fully nurturant society, to serve the good of life. In the classical terms of Aristotle, humans form communities in order to live; they cooperate to live well. Since institutions have a purpose, they can be evaluated and revised and even dissolved.

This last point is important: Sometimes institutions should cease to exist. As a philosopher who has also been a practicing bankruptcy lawyer, I offer my personal testimony that dissolving an organization is not a death. It is not homicide. The corporation ceases to exist but the human beings who participated in it live on. Liquidations and reorganizations are necessary parts of the continuous improvement of institutions and their continuous adaptation to changing circumstances.

In Andersson's UO the great ideals of liberalism, dignity and freedom, reappear in a healthier light. Now they have the real-world qualities of values that contribute to the human good. In the terminology of the later philosophy of Wittgenstein they are words with uses. Dignity for all and the yearning to be free are phrases that do things. They are causes with effects. "Dignity" and "freedom" usually pass the tests that assess the consequences of using them. They act in the world to make life better.

I do not have to prove that the true values of dignity and liberty are consistent with (and even demand) public action to achieve concrete objectives such as clean drinking water, clean air, adequate salaries and pensions, health ... etc. No, I do not have to prove it, because it has already been proven by among others Jürgen Habermas, Amartya Sen, Martha Nussbaum, and Margaret Archer. What needs to be overcome is not freedom but the dysfunctional abuse of the rhetoric of freedom in the worldviews of liberal and neoliberal capitalism.

We must overcome – we must be liberated from – a model of sovereignty which postulates that the legitimacy of government is subject to compliance with an original fictitious contract that promotes the sanctity of contracts to a status higher than the sanctity of life. Such abstract liberal fictions – in the words of Bourdieu and Passeron such culturally arbitrary fictions imposed by violence – condemn – to cite just one example among many – the people of Greece to suffer an unending martyrdom of the flesh in a vain attempt to pay unpayable debts.

UO as a worldview is nurtured in its strength and in its persuasiveness by a confluence of current scientific revolutions that shred the philosophical foundations of the liberal version of the rule of law. I mention four of them:

1. Anthropology. The main social sciences were established in the nineteenth century with a strong tendency to treat the then dominant liberal institutions as if they were expressions of eternal and universal human nature. Today the concepts and theories of "culture" developed in contemporary anthropology authorize a Copernican revolution in the social sciences, bringing to an end those liberal universalist pretensions.
2. Postmodernism and critical realism. Western modernity used to conceive the civil law, liberal versions of human dignity and respect for persons, human rights and freedom as basic norms that were akin to basic facts. They were thought to be more rational and more scientific when compared to any religion Western or Eastern. Modern thought was considered very different from the cosmologies and mythologies of non-western peoples. It was civilization. They were merely cultures. No more. The philosophical deconstructions done mainly by French philosophers (which was partly a revival of Nietzsche's nineteenth century nihilism) stripped the Emperor of his clothes. They revoked Western modern social morality's claims to rationality. With the exceptions of the normative principles of social order that the deconstructionists had not yet gotten around to deconstructing, they were all deprived of their rationality, all demystified, all revealed to be bogus, ancient and modern, West, East, North, and South.

Critical realism answers postmodernism's general skepticism. It argues that today it is still possible to maintain a coherent scientific and naturalistic philosophy, and to draw rational ethical and political conclusions from it. The consequences for social morality of its contemporary appeal to reason are more Marxist than liberal.

3. The solidarity economy. Solidarity economy was born in Chile among slum dwellers suffering from unemployment and social and repression during the early 1980s. It was driven initially by Christian social activists. Its key word "solidarity" had been central to Catholic social teaching since the papacy of Paul the Sixth (1963-1978) It was soon welcomed by indigenous communities and by people with any or no religion who sought practical alternatives for the dispossessed, and found them in the solidarity values of "Factor C" (cooperation, community, communication, warmth (*calor*), commitment, companionship ...)

The solidarity economy movement can be regarded as a *coupure épistemologique*, an epistemological break. It moves economics conceptually and institutionally out of the box of what Joseph Schumpeter called its institutional frame. In the new constitutions of Ecuador and Bolivia, for example, economics and politics are explicitly rooted in indigenous institutions and indigenous ideas older than liberalism.

4. The revolution in physics. In early modernity the ideology of liberalism was in many ways intertwined with Newtonian physics and astronomy. Traditional ideologies had been in many ways intertwined with traditional religion. Newton expressed a worldview that was a coherent alternative to religion or perhaps a new religion. In the words of Alexander Pope: "Nature and nature's laws lay hid in night God said, Let Newton be! And all was light." Mimicking Newtonian physics was especially common in economics, sometimes called "social physics." Now that Newtonian physics is no longer up-to-date physics, mechanistic social sciences are less persuasive. For example, it is less persuasive to identify a welfare maximum with general equilibrium in an ideal market. General equilibrium conceived as Leon Walras (who invented the concept) conceived it as the social equivalent of the Great Cosmic Machine that brings a beautiful order to the starry skies is unmasked as the bogus science it always was.

It becomes more persuasive to acknowledge that who gets what has always been a political question. Its answers have never been in the stars, and they are not to be found in equations modeled on those of Newtonian astronomy.

It would be a mistake, however, to model the new politics on the new physics.

The four deep paradigmatic changes summarized above leave the rationalizations of the liberal version of the rule of law without rationality. The juridical framework of economics that makes politics impossible is increasingly alien to contemporary science.

But making politics possible requires more than winning intellectual arguments. We also need to dismantle in practice the specific mechanisms that kill statecraft. Three of those specific mechanisms are the locational revolution (Winters), the necessity of confidence (Kalecki), and the fiscal crisis of the state (Habermas and O'Connor). I will call some tools for dismantling them "trimtabs."

A trimtab is a small rudder used by the pilot of a ship to change the direction of the big rudder that then turns the entire ship. Borrowing from Buckminster Fuller the idea of thinking in terms of trimtabs for social change, I use the word to name relatively small doable changes. They may not be easy but at least they are doable in the sense of being within the range of the possible. They pave the way for large necessary changes. The large changes are necessary in the sense that without them the piloting of the ships of today's states to safe ports is not going to happen,

In what follows it is assumed that because of paradigm shifts like the four mentioned above, there are no valid fundamental ethical, legal, or philosophical obstacles to unbounded organization. Nevertheless there are practical obstacles to it: What if for good

reasons taxes on business are raised to provide more funding for public hospitals, and as a practical result, as what Karl Popper would call an unintended consequence, businesses leave the country to locate where taxes are lower? What if nobody dares to do what needs to be done to stabilize and reverse the carbon dioxide levels in the atmosphere for fear of falling economic confidence (or to put the same point in slightly different terms, for fear of slowing economic growth)? What if it is out of the question for the state to build an adequate social safety net because its expenses already exceed its income and it is already deeply in debt?

Trimtabs may not solve these practical problems completely, but they are doable and they lead in the right direction.

### **Confronting the locational revolution, looking for trimtabs**

Recall the problem. For clarity we outline a worst case, not an ideal type but an anti-ideal type: Capital chooses the rules when deciding where to play the game. The life blood of a modern society does not flow without capitalist operations. Capital has the power of life and death over the entire population. If it goes life goes. If it comes life comes. On capital's choices concerning where to locate depend employment, taxable income flows, food supply and the supply of all necessary things.

Following the rules that organize this system increasingly skewed in favor of capital, rentiers accumulate more and more money. Entrepreneurs accumulate more and more power. The mass of the people work long hours for low wages; or have only precarious or informal work; or live outside the system joining a demi-monde of drug gangs or a sub-culture of fundamentalist terrorists.

Here is a trimtab: Build on the advantages that the states and the people already have in their negotiations with capital (despite the above sketch of the worst case, and already suggesting that the real world is not as hopeless as the world that anti-ideal type portrays). In his study of negotiations between the state and capital in Indonesia Jeffrey Winters shows that governability is greatest where assets are fixed in space (such as are minerals in the soil), least for liquid cash that can move from one country to another by clicking a computer keyboard, and with gradations in between leading to the general conclusion that governability varies inversely with the mobility of assets. Start with fixed natural resources. They are the least mobile.

Trimtab: Prohibit the entry of hot money, the kind that is most mobile and least governable. Prohibit the entry of money that lacks productive relationships to the real economy and lacks commitment to social development.

Trimtab: Encourage non-relocatable companies. They do not leave the country because those who control them have reasons for wanting to stay. Companies that are usually non-relocatable include state enterprises, joint ventures with state participation, cooperatives, enterprises owned by their employees, corporations where stakeholders are represented on the boards of directors, communal enterprises, municipal enterprises, and small family businesses whose owners are its workers.

Trimtab: When there are good reasons for wanting to raise funds from foreign sources, negotiate with different potential funding sources and make them compete with one another for the privilege of investing in your country. We live in a world awash in accumulated capital and now again flooded with even more capital by astronomical sums of money issued at interest rates near zero by the central banks of the European Community, the United States and other countries. Most capital does not find profitable opportunities to invest in the real economy. It revolves around the earth in a huge global casino of financial speculation dwarfing the real economy. Whoever has a real world business opportunity with real products and a real market for selling them to real customers at a real profit holds the aces at the bargaining table. Those who hold the aces do not need to give up control to raise the capital they need. They can issue bonds, or borrow, or do joint ventures keeping control at home while raising money abroad. Similar points can be made where it is not so much a question of gaining access to foreign capital as it is a matter of gaining access to foreign technology.

Trimtab: Tie capital to territories. Tie it to specific missions. An example is the National Bank for Agriculture and Rural Development of India (NABARD). Its money does not move out of India. It does not stray from its mission, which is rural development. Other examples of banks tied to territories and to missions are city banks serving local businesses. Such banks are numerous in China and also exist in Italy, Argentina, and other countries.

Trimtab: Support people who profess philosophies, religions, cultures and psychologies that define property owners and managers as trustees called to administer property to serve the common good. Such people are not likely to move their capital from one country to another to take advantage of laws that leave workers and the environment unprotected. They would be total hypocrites if they did. An example would be the entrepreneurs who join the Economics for the Common Good (*Die Gemeinwohl-Ökonomie*) movement started in Austria by Christian Felber and recently endorsed by the European Union. Reversing the image of 196 governments in 196 territories competing to see who can write the worst laws, the entrepreneurs who join Felber's movement systematically organize their companies to serve the common good, and then they call on the legislators to write laws favoring their ethical way of doing business.

### **Confronting the necessity of confidence, looking for trimtabs**

Recall the problem, again formulating it as an anti-ideal-type that is uncomfortably similar to reality. Humans lived for thousands of years hunting, collecting wild plants, fishing, sowing and reaping, shepherding, raising chickens and pigs and ducks and geese, and growing trees with fruits and edible nuts. Today we cannot eat without something our ancestors never imagined: confidence. For us confidence is a physical necessity. Business must be profitable. Without confidence the poultry man will not raise chickens, the merchant not buy undressed chickens or sell dressed chicken, the cook will not make a chicken sandwich, and nobody will eat anything anywhere because there will be neither chicken sandwiches nor any other food because food is a commodity and without an expectation of profit commodities are not produced.

Politicians are the assigned the impossible task of making sure there is always enough confidence to keep the economic machine going and growing. They are blamed when confidence sags. But confidence depends on the belief that there will be profit; profitability depends on sales; sales depend on shopping. Politicians cannot guarantee that shoppers will buy. Legislators may decree a tax cut hoping that with more money in their pockets consumers will buy more and jump-start the economy, but the consumers may choose instead to use the extra money to pay down debt or to travel and spend the money in a foreign country, or to buy imports, or they may do nothing at all with it but just sit on it; and even if the tax cut gambit succeeds it will succeed (as Habermas noted) only at the expense of aggravating inflation and/or adding to the debts of a sovereign who is already a beggar.

As we learned from Kalecki, what politicians must avoid at all costs is creating a crisis of confidence. They must avoid at all costs creating a widespread belief that there will be no profits. Other goals – better health, more retirement income, better education, saving the biosphere, lowering the Gini coefficient; and the overall *telos* of living and living well-- necessarily come second. It is necessary, not optional, to give priority to the engine without which the system does not move. The necessity of confidence gives capital an indirect veto over public policy.

Trimtab: Engage in material practices whose engines are not profit and / or whose objectives are not sales.

Trimtab: In the social sciences encourage detailed study of the variety of economies that exist and have existed and might exist. Discourage abstract models of pure economics that purport to be eternal and universal.

Trimtab: It is a principle of unbounded organization that the number of organizational forms that can be employed to meet human needs in harmony with the biosphere is infinite. If we subtract from this infinite number all those that hamstring public policy and make the world ungovernable, the remaining number is still infinite. To gather evidence tending to confirm this principle we need only open our eyes and look around us. In every industry – airlines, the manufacture of electrical appliances, Internet, banking, housing, publishing, energy companies, hospitals, hotels, farming, schools ... the list goes on without end... - we find diverse institutions. Simply by reforming theory by opening it up to seeing facts we can find doable paths to liberation. In the words of Elinor Ostrom what is possible in fact must be possible in theory.

Trimtab: Liberating humanity from dependence for its daily bread on the confidence of large business that it can successfully turn money into more money begins in the neighborhood. The organization of local communities is a resource. Mobilizing the resources to do what Braudel calls "material practices" – that is, practices that meet life's necessities – does not always have to be a matter of seeking capital on Wall Street or in London or at the Santiago Stock Exchange or seeking a grant from the government. It may be a matter of making an inventory of underutilized local resources – the plot of land next to the medical center that could be a community garden, retirees who can be coaches for a youth soccer team, young people who can be trained in first aid ..... n. Experiences in many

countries show that local communities have resources that can be mobilized to meet vital needs.

Trimtab: Grow the largest and most common alternatives to production-and-distribution-depending-on-profit that historically have existed, Karl Polanyi and José Luis Coraggio have highlighted four alternative organizational principles that humankind has practiced *en masse*. You cannot doubt their feasibility because they have worked for many millions for many centuries and they still work today:

1. Reciprocity
2. Redistribution.
3. Planning.
4. The people's economy.

Most people know about reciprocity because most people live in families. Sociologists like Alvin Gouldner regard it as the basic human norm.

You can read about redistribution in the Bible, in the parts about the granaries of the Pharaohs of Egypt; in most countries today retired people living on public pensions receive income redistributed from younger people who are still working and paying taxes.

When Karl Marx offered an example of an economy different from capitalism, the example he chose was that of a peasant family planning its agricultural work. (Oskar Lange unfortunately did not get the point; he identified planning with constructing a command economy which would mimic a perfect market.)

Coraggio's idea of "people's economy" refers to enterprises – the majority of enterprises in many countries, and their largest sources of employment – that do not make profits. They do not accumulate capital. Their objective is just to get by. Often their owners make less money than they would make working for wages in a factory – if they could find a job working for wages in a factory. If you ride in a taxi with Coraggio through the streets of Greater Buenos Aires you will see hundreds of them, laundries, tiny stationery stores, hole-in-the-wall grocery shops, bakeries selling fresh-baked bread, photocopy shops, cybers, hairdressers, little coffee shops, used clothing shops, *kiosqueros* who sell newspapers and candy bars ... block after block, kilometer after kilometer.

Remember that to liberate ourselves from domination by the necessity of confidence we do not need to outlaw big companies that make profits. All we have to do is whittle down large scale profit-making's proportion of the overall economy to a smaller size. Then if confidence declines or collapses, there will still be no problem. There will still be no shortage of chicken sandwiches because other sectors will take up the slack.

A small but illuminating example: In the crisis of Argentina of 2001 when many owners closed their businesses because they were not profitable, in some cases the workers took over the same businesses and re-opened them. The businesses did not suddenly become profitable when they were owned and run by their workers. No. The goal of the workers

was not profit. For them it was enough that the company pay them a salary. What was a "cost" according to the logic of capital accumulation became an "objective achieved".

When the veto power described by Kalecki ceases to be effective, we will still be able to enjoy the productivity and the innovation characteristic of the best of capitalism, while continuing to construct the security and the fraternity characteristic of the best of socialism. But here a caveat is in order: I am not saying there is one best way to mix capitalism and socialism and I know what it is. My point is more general and more abstract. It is that the necessity of confidence constrains public choice. A plural economy less dependent on a single dynamic and a single logic loosens that constraint. Without loosening that constraint on public choice it is – among other fateful implications of this abstract point – not likely that the biosphere can be saved – if only because it would not be likely that atmospheric concentrations of carbon dioxide could be stabilized around 450 ppm by 2050. Without the governability that unbounded organization brings it is not likely that the oil and gas companies will write down to zero the value of two trillion tons of carbon reserves they own which scientists tell us must be left in the ground to save life on earth.

Trimtab: Multiply the good and decent jobs that are not dependent on sales. Among the many examples of those who work but do not sell are scientific researchers who are paid to investigate, teachers in public schools and teachers in charter schools, priests and nuns and pastors who live off donations of the faithful and endowments, athletes who are sponsored by a company or a foundation, those who do community service or reforestation or other useful work in public employment programs, and students who live on scholarships and the support of their families.

Multiply also hybrid cases. Hybrid organizations depend only partly on sales, as in the case of a symphony orchestra. The orchestra sells tickets to its performances, but it does not complete its budget without donations from music lovers, without the sponsorship of companies, without endowment income, or without contributions that do not have the form of money such as the free use of the municipal theater.

Consider also the case of a hypothetical extended family. Some sell their labor in the labor market, others do do-it-yourself-construction to add another room to the home, change diapers and boil bottles, weed the vegetable garden, cook, save money by mending old clothes instead of buying new ones, make jam, care for sick granny, fix the sewer ... This is another hybrid case.

Trimtab: When fear that there will be no profits appears likely to lead to closing businesses, loss of jobs, and erosion of the tax base, negotiate to keep businesses going and at the same time pursue social objectives.

Do not exaggerate the danger of capital flight. It is true that there are times when capital flees a country *en masse*. A civil war often leads to massive capital flight. A political threat of confiscation may produce massive and sudden flight. Powerful foreign enemies sometimes successfully wage de-stabilization campaigns that cause runs on banks and choke off credit.

But in normal times wage increases and tax increases if they discourage investment at all do so moderately and slowly. There is time to craft win-win compromises. There is also

time to adjust to liquidating the business or the industry if all things considered liquidation is the right thing to do.

Extraordinary financial performance is not normally needed. Most businesses operate most of the time without super-profits. What is needed to keep a business going is enough revenue to pay the cost of capital at the market price of capital in capital markets (its "opportunity cost") plus enough revenue to pay business people well enough to motivate them to stay in business. (What Alfred Marshall called "the supply price of business"). It also helps if business people feel appreciated and feel that they are making constructive contributions to the community. Skillful negotiators are psychologists, not just economists.

Usually there is time to negotiate with stakeholders, to weigh the options, collect data, and reach agreements. The veto power of capital over public policy is sometimes a mirage that disappears when it is approached up close and the options are carefully examined.

### **Confronting the fiscal crisis of the state, looking for trimtabs.**

Recall the problem. In its long historical development the cornerstone of the liberal state has been its successful struggle to deprive first the counts of their counties and the dukes of their duchies and finally the king of his kingdom. The inheritor of the rights and duties of the king, the modern democratic republic, has no kingdom either.

The English Bill of Rights of 1689 – an antecedent of and inspiration for the later French and American constitutions and declarations of rights-- laid down this cornerstone of the liberal version of the rule of law. Its prologue rails against the abuses of the recently defeated in battle and deposed King James II. Its text forces the new King William III – as a condition of being invited by the parliament to become the king – to finance his government only with taxes approved by parliament. In such ways the *Steuerstaat* was born.

Nowadays even the tax – the main resource left to the sovereign – vanishes. Large private fortunes, which are the only great fortunes that remain, are increasingly located offshore. One of the main conclusions of Thomas Piketty's careful study of wealth in the twenty first century is that for the most part there is little information about wealth available to the public or to governments. Disarmed by their ignorance and driven by physical necessity, governments compete with each other by lowering taxes to attract and retain businesses in their territories. While the wealth of the wealthy is accumulating in unknown amounts in unknown places, ordinary citizens who cannot afford the hefty fees of private hospitals are spending a year or more on waiting lists to get hernia surgery in a public hospital.

Our contemporary nation-states are families and they are not families. The state is a family because it is the guarantor of the economic and social human rights of each and every one of its sons and daughters. The state is typically required by law and often by constitutional law (the Constitution of Brazil is an example) to pay for their education, their health care, and their pensions. Like a good parent who looks after her or his children, the state is required to guarantee the water supply, mosquito abatement, safe bridges over rivers, control of the spread of contagious diseases, highways, police, prevention and extinction of

fires, and according to the letter of the law in many countries housing and employment. Nevertheless, the contemporary nation-state is not a family because it has no patrimony.

Trimtab: To end the fiscal crisis of the state and generally to serve the common good work to align all sectors. In particular work to align the large corporations that constitute the wealthiest and most dynamic sector in today's global economy.

As a constructive critical realist I believe that the rules that constitute the institutions are the main causes of the results produced by the institutions, but nevertheless the free choices of individuals and groups also count. While we are waiting for and working for the transformations of constitutive rules that our four scientific paradigm shifts pave the way for, we can find trimtabs in the slack areas ("slack" is a term coined by the business scholars Cyert and March to describe room for making decisions that are not compelled by economic necessity) where conscientious individuals who happen to be business executives or owners can make a difference.

If they are pressured to be conscientious because conscientious consumers prefer the products of socially and environmentally responsible corporations, or because governments require good corporate citizenship, or because activists demonstrate at their shareholders meetings, or because their employees work harder and are more loyal when they feel that the organizations they work for give meaning to their lives, or because sentimental investors prefer to hold the shares of do-good corporations in their portfolios –then so much the better.

When there is a culture of caring and most people in most sectors align for the common good, there is no reason whatever to single out the people in the higher echelons of business as individuals who are by nature sociopaths who only pretend to be living to serve God and neighbor when they are dragged kicking and screaming to the altar.

Nor is it true that large companies will never collaborate in transforming modern societies because it is to their interest and benefit to keep the world as it is. The current trends toward social chaos and ecological disaster are not to the interest and benefit of anyone. Grim poverty and oceans full of plastic are not even to the interest and benefit of our first class passengers sitting on deck chairs in the VIP lounge of our Titanic sipping martinis paid for by trust funds concealed from the tax authorities by legalese that even they themselves (the beneficiaries of the trust funds) do not understand.

Nor is it true that large multinational companies refuse to collaborate with other sectors to solve social problems. Visits to their websites make it plain for all to see that almost all of them talk the talk of corporate social responsibility and creating shared value. Most of them can show tangible results to back up their talk, like for example clean drinking water in African Villages.

Conclusions: Alignment across sectors is necessary. It is to everyone's interest. It is happening. It was not a misprint when I said above that work to align all sectors was a trimtab, i.e. something we can actually do.

To understand why it is happening we turn to a new science that has become a new factor in history: psychology. It is a science that documents what common sense always knew; money cannot buy happiness.

A new generation of socially-minded entrepreneurs, of whom Blake Mycoskie is perhaps the most famous example, is realizing that they do not really want to arrive at their deathbed at the end of their years with a maximum balance in their bank accounts. They want to be happy now when they are young. When they do arrive at their deathbeds they want to die believing that their children and grandchildren will be happy. To be happy they need to feel –tribal animals that they are, and that we all are, since our bodies evolved during the 99% of the time humans lived on earth that we lived in tribes—they need to feel that their lives are socially meaningful.

Socially minded entrepreneurs are eager to participate in a plural, nurturant and sustainable society in which they, their children, and their grandchildren will have fewer privileges, but more security. They are the best messengers to communicate to their fellow entrepreneurs the millennial and more than millennial message of social responsibility.

Trimtab: An up and coming alternative to the classical dynamic of capitalism (capital accumulation) and to the classical logic of capitalism (calculate how to maximize profits) is the mission-driven organization.

Large organizations choose to organize themselves around their missions for many reasons. Let it suffice for now to say that today most of them do. Almost all of them, whether public private or non-profit, have mission statements. Many take their missions seriously. When the organizations have shareholders they usually treat earning a good return for their shareholders on their investments as part of their mission but not as all their mission.

Mission-driven organizations relieve the fiscal crisis of the state in at least three ways:

1. The social good they do takes pressure off the state and off the state budget. Today's state is a guarantor of economic and social rights. If there is a right that the state has a duty either to make real or to guarantee that someone else makes real, then if someone else makes it real that is one less expense for the state. An example would be the work of Coca Cola in bringing clean water to African villages alluded to above. Another example would be the non-profit eye surgery company Aravind Eye Care of India. Aravind uses efficient up-to-date technologies to provide free eye surgery to millions who cannot pay for it. Its business model provides for high volume low cost eye surgery, and for charging those who can afford to pay high enough fees to be make it possible to serve the majority of its patients at no charge.
2. Many mission statements make contributing to the public purse by paying taxes an objective. In their triple bottom line accounting (people, planet, profit) they report taxes paid as an achievement. Socializing the social product in this way is an explicit part of the creed of the *Die Gemeinwohl-Ökonomie* movement.
3. Most mission statements of large companies make providing employment and achieving a high level of employee welfare parts of the mission. Going (but not yet entirely gone) are the old days when the satanic mills of Manchester strove to

extract a maximum amount of labor from each hireling for a minimum amount of pay, when politicians believed in *laissez-faire* economics and therefore did nothing, and when private charity was left to pick up the pieces of shattered lives. Coming (but not yet entirely arrived) are the new days when corporate missions, public policies, and private charities are aligned in the same direction.

The farther we go in this new direction the more we relieve the fiscal crisis of the state. We replenish its coffers. We solve more social problems with less need to call on the state to foot the bill.

Trimtab: Reframe (resignify) large companies, and indeed all organizations, as social institutions with social purposes. This might be called a Durkheimian revolution. Instead of socializing economic organizations by nationalizing them, we socialize them by seeing that as a matter of sociology they already are and always have been social institutions. It might also be called the repeal of the West's (and now the world's) Roman Law juridical framework, since it is characteristic of Roman Law to agree with Foucault and to disagree with Durkheim by *seeing* institutions *as* (Heidegger: all seeing is *seeing as*) born in conquest (thus property is *dominium*; a province is a place that has been *victus*, defeated). It can also be seen as unifying social science with natural science, regarding human cultures from an ecological point of view as patterns of behavior that survive because they succeed in meeting vital needs. In José Luis Coraggio's terms we *resignify* companies and markets. In spite of the very general nature of these preliminary remarks, the list of premises that follows refers to large successful transnational companies.

They are generating surpluses. They have what Michael Porter calls sustainable competitive advantages.

They are generating surplus by differentiating their products, by their capacity for innovation (most employ their own research scientists), by controlling key resources and above all by controlling technologies.

We live in a time of transition to much more efficient technologies than those of the past and present. You ain't seen nothin' yet.

In our world system organized according to the principles of a liberal version of the rule of law every new technology – be it a three-dimensional printer, or artificial photosynthesis, or capturing fresh water from the atmosphere or from the sea... n – will be the intellectual property of someone.

It is to be expected that most will be intellectual property of large multinational companies. To the extent that activists like Vandana Shiva and Robert Reich (two of the world's most lovable people) succeed in establishing public or grassroots control over the new super-technologies the following remarks apply also to whatever organizations the activists create. Whoever controls the technologies will be very powerful,

Until further notice it is the large transnational corporations who have the capacity to invent them or to purchase them from their inventors, and to bring to market science-based products in the cases where the basic research was done by public or non-profit labs or by networks,

If the end result is that a tiny elite controls the wonders that lead to abundance and to wealth; and if as tyrants, oligarchs and demagogues they regard themselves as the winning stoonks entitled to kick the cans off the losing stoonks and charge them for the privilege, it will be a disaster. If the result is a judicious combination of good governance and the alignment of a plurality of institutions in the service of the common good, it will be a utopia.

On the physical level, at the level of use values, the science that will come on line will be able to rescue mankind with pure water, clean air, more and healthier food, more and better housing, more and better energy and more and better medicine-and all that sustainably in harmony with the environment.

If humanity were able to follow the wise advice of ecologists and other natural scientists – Including the advice to limit the birth rate – we could remedy the disasters that already exist and avoid those to come. Life would be a dream sweetheart. We can anticipate enjoying this dream as long as our minds spin tales of what is scientifically possible AT THE LEVEL OF USE VALUES. Now let us see what we can do on the plane of money, at the level of exchange values.

Call P the selling price of a typical product of a for-profit company located in what Habermas called late capitalism 's organized sector, emblematically a large successful transnational corporation, like Nestlé, or Facebook, or Procter and Gamble or Mitsubishi or Mercedes Benz or Google.

We call D the price the typical consumer is willing to pay.

Thanks to science,  $D - P$  can be a large positive number even with markets "organized," even without the very competitive markets that tended to drive profits to zero and drove capitalism to organize itself in the first place. The consumer gets the product for much less than he or she would pay if necessary. This difference (following Alfred Marshall) can be called consumer surplus.

Call M the minimum price that the company can accept covering all its costs, including the cost of capital, and achieving (again following Marshall) a normal profitability.

Thanks to science,  $P - M$  can be a positive and large number, even if the costs of the company include decent wages paid to unionized employees and even if stakeholders have representatives on the board of the company. This difference can be called producer surplus.

Call I the taxes transferring money to the government, including taxes on consumption (like VAT) and taxes on corporate revenues (like the ones that before neo-liberalism were called excess profits taxes) We call F the flow of money to non-profit organizations dedicated to the common good sponsored or supported by big business, for example the funds flowing to non-profit medical research from Merck. Part of this F flow takes the form of dividends paid to non-profits that are shareholders, for example dividends paid to the Lilly Foundation because it owns shares in Lilly or to the Kellogg Foundation because it owns shares in Kellogg.

Resignifying large enterprises as institutions with the social purpose of generating surpluses in a time of exponential growth in advanced technologies can be expected to yield cash flows flowing into public and non-profit institutions. The cash flows can fund social programs. They can create meaningful lives in art, sports, research, music, dance, ecology, and other fields for the increasing numbers of people who will be redundant as workers in for-profit enterprises.

The cash flows can be large calculated with prices  $P$  even subtracting  $I$  and  $F$ . The fiscal crisis of the state is mitigated because its income goes up. And when other sectors do more, the state's expenses go down. In a happier and less angry world the cost of fighting wars and fighting crime declines.

All of the above works in a culture where the corporate executives and owners are proud to be generating surpluses for the common good, where the public servants are honest and dedicated, and where the workers who become redundant because they cannot compete with robots prefer enrolling in continuing education or volunteering for community service to blowing their minds with drugs or blowing up the twin towers by crashing airplanes into them.

Which segues to the next trimtab.

Trimtab: Moral education, conceived as continuing education throughout life. Perhaps there was a time when you could say that social reforms intended to raise the moral level of an entire population were pure castles in the air without contact with the ground. While such pessimism was perhaps valid in some other time, today this pessimism is no longer valid. It is not only computer science that is making great strides forward. It is not only molecular biology applicable to medicine and to agriculture. Psychology has been taking giant steps too. Due to the progress of the pedagogical and psychological sciences, systematic and universal moral education has become doable. It has become doable without indoctrination or brainwashing. It can respect cultural diversity and even encourage cultural diversity.

Plato was right when he said education should start with music and dancing to make more orderly the sounds of voices and the movements of bodies. Friedrich Schiller was right when he said that man is an emotional being who cannot reach the level of ethics without first refining the emotions at the level of aesthetics. Emile Durkheim was right when he said that loyalty to the class and the school was a necessary intermediate step between family loyalty and loyalty to the nation, eventually culminating in loyalty to humanity. Jean Piaget was right when he showed that although morality may be in the heart, the heart cannot function without intellectual achievements like for example the cognitive ability to imagine yourself in the shoes of another person. The pioneers of moral education contributed to the accumulated wisdom and science that empowers us today to educate children and adults to be socially responsible citizens of socially responsible societies.

Raising the moral level of the population has everything to do with overcoming the fiscal crisis of the state for at least five reasons:

1. The now unsustainable social spending was never an end in itself. The goal was always to meet the vital needs of the people. To the extent that people and families function better

– fewer orphans, less domestic violence, fewer abandoned senior citizens,... and to the extent that people and therefore civil society work better – more food security achieved by cooperation between neighbors, safer neighborhoods, more orphanages ... - support from the public purse will be less costly and more sustainable.

2. The level of social consciousness of voters impacts their willingness to pay taxes to finance social programs.

3. Many states that until the recent fall in oil prices did not have a fiscal crisis have not been exemplary in guaranteeing the political, economic and social rights of their citizens. Obviously it is not enough to supply the state with money to reach the end goal of meeting the vital needs of the people.

4. The robotization of physical work and the computerization of mental and the consequent redundancy of increasing numbers of people in the labor market is a psychological crisis. While it is true that the transfer of the surplus generated by large companies establishes the feasibility of putting money in the pockets of growing numbers of people who do not sell their labor but nevertheless have to live, money in your pocket do not give you either self-discipline or culture.

5. The huge public debts run up to fight World War II were paid down partly by taxation and partly by inflation, often by keeping the rate of inflation above the interest rate making the real rate of interest negative. This solution to the problem brought other problems in its wake. While neoliberals are not wrong when they call attention to those other problems, nevertheless neoliberal policies of high interest rates and low inflation (combating what they call “financial repression”) substantially contribute to making sovereign debt unpayable. Navigating these muddy waters where steering the ship of state toward any point whatever of the compass leads to one rock or another becomes something pilots can do when the hearts and minds of the citizenry rise above the level of the liberal version of the rule of law to the level of alignment for the common good.

Trimtab: Recover for the democratic state some of the funding sources that in olden times monarchs had, as for example the ownership of land, royal monopolies on certain branches of trade, and the power to issue money.

Trimtab: When the private for-profit big business sector goes into crisis, or stagnates and stops growing, use the opportunity to strengthen other sectors. Accept the verdict of the market: when the market says this way of doing things is not working, do things some other way.

There are many reasons for wanting a sector of large for-profit companies with greater social responsibility and somewhat less weight than those companies have now in the sum of total economic activity . Perhaps the most important reason for reducing the weight of any single sector in the overall economy is that when a sector loses the power to paralyze the economy it also loses the power to resist extra-democratically extra-rationally and extra-ethically the redistribution of wealth; or, as the case may be, to compel the redistribution of wealth in its favor. Depriving big capital of its veto power over public policy has everything to do with writing a happy ending to the story of the fiscal crisis of the state.

Some degree of shrinking of the large business private for-profit sector, a consummation devoutly to be wished, is actually on its way. Go with the flow. This is an opportunity. Sometimes the private for-profit sector shrinks because of a decline in purchases by the Chinese or other foreigners; sometimes it shrinks because new technology makes it possible to meet demand with less capital and fewer workers; sometimes it shrinks for unknown reasons. When it shrinks *carpe diem*.

The hard part is to strengthen other sectors. The ideal is to move gently towards a more balanced economy so that in the transition process nobody loses and everybody wins.

### **An historical example, learning from Sweden**

I briefly analyze in this section a typical problem in which (1) The cause of the decline in economic activity (i.e. decreased investment, employment, production, and sales) is social justice. Public policies reduce profitability by increasing wages and raising taxes. And (2) In the background of the problem stands international competition, both competition at home from imported goods and competition to export abroad.

The goal --not necessarily every actor's goal but my goal since I believe in UO-- is that no one loses and everyone wins. In this typical problem at first glance the people who are going to lose--or would lose if we were not enlightened and dedicated to the good of each and every person--would be the owners and employees of the marginal businesses that cannot pay decent wages and cannot pay high taxes. They would become ex-owners and ex-employees of liquidated firms. This typical problem was one of Sweden's problems in the heyday after World War II of what became internationally known as the Swedish Model.

In the sixties the Swedes decided not to protect marginal industries such as footwear. Swedish shoemakers were unable to compete with the Italians. Sweden did not want to drive down wages to the level of Italian wages. They did not dare to compete with Italy's artists in the design of high heels.

Thus the Swedes arrived at what I will call Plan A: Close this industry that is inefficient and also unfair! It is unfair because it is not able to pay the salaries earned by other Swedes in other industries. Let the Italians make shoes! We will buy Italian shoes and wear them on our Swedish feet. We will make commuter airplanes and sell them to a world eager to buy them.

Sweden also closed other *solnedgang* industries (sunset industries, industries of the past).

The result of Plan A was expected. It was unhappy ex-owners and ex-employees.

The result of Plan A inspired Plan B. Plan B called for retraining the ex-shoemakers, and re-orienting with credit and technical assistance the ex-owners. They were to be employed in *soluppgång* industries (sunrise industries, industries of the future).

Plan B proposed raising the average productivity of Swedish industries by closing the less productive firms, expanding the more productive firms, and creating new innovative and internationally competitive firms.

Plan B worked for about four years, but then it collided with facts: Neither in Sweden nor anywhere else on the planet earth was there enough *soluppgång*. The problem with Plan B was not just micro-economic. It was not just a problem of allocating scarce resources in response to price signals revealing what consumers want.

It was also macro-economic: a chronic insufficiency of effective demand; a general lack of numerous and solvent consumers eager to spend their money. Believe me. Believe Paul Krugman. Believe Joseph Stiglitz. Keynes was right, even more right than he knew. There really is a chronic insufficiency of effective demand. The lack of sufficient *soluppgång* was not just a lack of market research and product development tailoring Sweden's products to consumers' desires. My view (I do not know what Krugman, Stiglitz or Keynes would think of it if they heard of it) is that ever since *homo sapiens sapiens* stopped living in tribes governed by norms of redistribution and reciprocity there have been excluded people because there has been insufficient demand. The fact that somebody needs to sell to live does not imply that there must be somebody else able and willing to buy.

Plan C was that the government hired the unemployed. They were employed by Sweden's counties mainly to build social housing and to take care of small children in nursery schools. Sweden raised even further its already high taxes to pay for putting the unemployed on the public payroll.

So Sweden for a time kept its promise to leave no worker behind. Everyone was in the family, in the *folkshemmet*. To use the word *folkshemmet* is to call Sweden a home for all Swedes. It is the theme of Sweden's national anthem. The ideal of *folkshemmet* resonates of family, of tribe. It took tangible form in a generous public employment program that guaranteed that everyone would be paid a living wage and everyone would have an opportunity to contribute to society by doing useful work. But it was not sustainable. The treasury could not bear the cost. The taxpaying public could not endure tax rates higher than half the salary of a typical worker.

The Swedes are still struggling to find a formula to reconcile a *folkshemmet* with a modern economy framed in a liberal version of the rule of law.

To think about how to achieve what the Swedes attempted let us return again to my three point précis of Gavin Andersson's conceptual framework called unbounded organization.

The first point expresses the goal. The goal is that Sweden will be a fully nurturant society, Keep that in mind and do not forget it through all the twists and turns on the way to the goal.

The second point is pragmatic flexibility in the building of a fully nurturant society. The list of material practices that might be used to organize for the common good is an infinite list. The ecological niche of the human being is to be an animal that is a creator of cultures.

Many cultures have been created and if the species does not destroy itself by destroying its habitat it will create in the future cultures we cannot even imagine today.

The third point is not to treat one's own organization as the center of the universe but to align across sectors to serve the overall goal of the societal enterprise.

In the light of these UO principles, and repeating to some extent the general trimtabs above, I will make some specific suggestions for solving problems the Swedish Model did not solve.

The many obstacles standing in the way of establishing sustainable high wage employment became visible to all in the form of taxes so high that they discouraged both businesses and individuals. I repeat my general point that the liberal version of the rule of law prescribes what Schumpeter called a tax state. This is a constraint to be loosened not a principle to be adored. A logical first step toward solving the problems the Swedes could not solve would be to reconsider taxes.

Let us try to imagine a more flexible concept of "tax" and let us try to imagine other ways besides taxes to finance government programs. Let us think especially about how to finance public employment programs that organize useful work at good pay.

Suppose we were to think of taxes on business as a way to capture surpluses.

There would immediately follow certain consequences: Surpluses are not costs of production. That's why they are called "surplus" (or, in a different terminology "rents"). Here "production costs" (what surplus *is not*) includes the cost of capital and the normal profit necessary to motivate entrepreneurs to be entrepreneurs.

Following Coraggio I suggested resignifying large businesses as institutions that generate social surplus. The surplus can be transferred to create meaningful and prosperous lives to people doing useful work like caring for young children and building decent houses for slum dwellers. It can be transferred involuntarily (or voluntarily if the entrepreneur happens to be a member of *Die Gemeinwohl-Ökonomie*) as taxes. It can be transferred voluntarily as philanthropy. Where it is the case, as it often is, that a corporate mission includes using slack to contribute to the communities where the company does business perhaps neither "involuntarily" nor "voluntarily" is exactly the right word. However the transfer might be done, after it is done the business continues to thrive. By definition after the surplus is contributed to the common good, the business still has enough money to cover the cost of all inputs that are required to produce its outputs.

I do not want to give the impression that surpluses generated by big business should be the only source of public funds. They should be one important source.

The firms in marginal industries like the late lamented Swedish shoe industry do not create surpluses. If the purpose of a business tax is to capture surpluses then they should not pay any business taxes. Whether all things considered they should continue to exist is a somewhat separate question, but if the question is how to save jobs and firms from liquidation where a tax would be the straw that would break the camel's back driving the marginal firms into insolvency we know a way to save them: do not tax them.

The problem is simplified. There are fewer victims of social justice to be rescued by government programs like Sweden's active labor market policies and its incubations of *soluppgång* industries. Among the marginal businesses that are not viable because they cannot pay taxes and also pay decent wages, those who can pay decent wages if they do not have to pay taxes will survive. Those who can pay neither taxes nor decent wages will fail anyway so there will still be some victims of justice to be rescued.

Of course the problem is also complicated at the same time it is simplified. If the government is not going to tax marginal businesses because its principle is not to tax businesses where there is surplus, its fiscal crisis apparently worsens.

UO again proposes flexibility, as did the students who marched in the streets of Paris in June of 1968 under banners that read "*L' imagination au pouvoir!*" For example, and only for example because in principle the possible solutions are not exhausted by any list of examples: (1) Capture rents more effectively where there are surpluses, beginning (1a) with rents from natural resources, and (2) Finance the government in ancient ways now forbidden by liberal orthodoxy, such as, for example, (2a) customs duties, and (2b) recovering the role of the sovereign in the issuance of money, participating for the benefit of the treasury in the lucrative financial services industry (Some people may not know that today --unlike in the distant past when Jesus could say that a coin stamped with the image of Caesar belonged to Caesar-- the main creators of money are private banks and autonomous central banks carefully separated from the governments elected by the people. Other people, and perhaps some of the same people, may not know that today in some countries corporate profits from interest on consumer and mortgage debt equal or exceed the classic expropriation of surplus value analyzed by Karl Marx where the employers pay the workers less than the value of what the workers produce.)

A third principle of UO is to align various sectors to serve the common good. This principle gives us a clue about how to create decent jobs for everybody that goes beyond Sweden's Plan C. What a sector with one logic and one dynamics (e.g. an old-fashioned private sector with the logic of financial accounting and the dynamic of capital accumulation) does not do, other sectors will do. We saw an example above with mission-driven corporations, public policies, and private charities aligned against poverty. There were more examples of diverse logics and dynamics in my list of non-relocatable types of business. The sum of the contributions of all sectors creates decent jobs for all. The Swedish government might have been smarter in the 1960s if instead of running a Plan C where it itself became the employer of last resort, it had opted for a *folkshemmet* Plan D calling for more diversity, more imagination, and more alignment across sectors.

Let me repeat for emphasis that in Sweden and everywhere else achieving the inclusion of the excluded is a macroeconomic problem, not just a microeconomic problem.

A basic principle to keep in mind when constructing the alignment of the sectors is this: Transfers of wealth are needed whatever organizations may be lined up in the cast of institutional characters convened to solve the problem – large companies, small companies, co-operatives, state-owned enterprises, employee-owned enterprises municipalities, people's economy tiny businesses, transnational enterprises, microcredit micro-enterprises like the ones funded by the Grameen Bank, autonomous self-governing

universities, non-profit hospitals, businesses run by the military (as in Indonesia), mutual insurance companies whose owners are the customers who buy the insurance policies, money-management firms like Vanguard whose owners are the people whose retirement plans they manage, workers cooperatives like those of the stevedores who load and unload ships in some Argentine ports, family farms, idealistic medical service foundations like India's Aravind Eye Care, self-employed plumbers and electricians, law firms organized as partnerships, churches, ... .. n. The list goes on and on.

But no matter how long the list is and no matter who is on the list there is no way to include all the excluded if all the institutions on the list depend when push comes to shove on sales to customers. There are not enough customers.

There must be some recycling of surpluses from where they are not needed to where they are needed. But not just of surpluses. Everyone, even the workers with their wages, the professionals with their fees, the successful plaintiffs with their settlements, the professors with their research grants, the children with their allowances, and the business people with their normal profits, can buy chocolates and eat the chocolates, or else put the same money in the hat of a beggar.

Although redistribution of one kind or another is necessary to make society governable and politics possible for more than one reason, we must not lose sight of the need for transfers to include the excluded. We need redistribution of the surplus and of the non-surplus to include in human communities those whom the labor market either rejects outright or punishes with miserable wages and working conditions no human being should have to endure.

Transfers always were necessary to meet the vital needs of every member of the human family, but today their necessity is more obvious than it was yesterday. Tomorrow it will be more obvious than it is today. The advance of robots taking over physical work is making some humans redundant. The advance of computers taking over mental work is making more humans redundant. Redundant human beings are joining narco gangs and insane fundamentalist sects. Meanwhile science is making abundance for all and leisure for all a real possibility. These coming trends will make it so brilliantly clear that even the blind will see that the liberal theory ("Say's Law") that free markets provide jobs for all at a correct rate of pay set at the marginal value of the worker's labor that is determined by the labor market is and always has been sheer nonsense.

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