

## DISCUSSION FORUM

### On Erik Olin Wright, *Envisioning Real Utopias*, London and New York, NY, Verso, 2010

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### The socialization of capitalism or the neoliberalization of socialism?

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What does a socialist at heart do when he has become disillusioned with the experience of socialism in the East and flabbergasted with the extraordinary resilience and spreading out of capitalism everywhere? When he knows, deep down, that capitalism has become ‘part of the natural order of things’ and that a wholesome transformation of the social bases of production is unlikely, if not impossible? Well, he becomes a ‘realist’. That is, he will start looking for ‘socialism’ in the nooks and cracks of the capitalist economic machine as it currently works, in the small and large compromises wrought by classes eager to appease their inbuilt conflicts, in every workable or working step that might improve institutions in the direction of social justice and human emancipation. Mind you, this socialism is very different from the dramatic reorganization of social relations envisioned by Marx and Engels—indeed what Erik Wright calls the ‘ruptural’ path to socialist transformation is only one, and certainly the most unlikely, of three distinct possibilities (the word ‘communism’ barely appears in the book, and Marx’s theory of capitalism’s future is deemed ‘inadequate’). To the purist, this diluting of socialism into a range of options going all the way from Wikipedia

to bank-friendly corporatism in Europe will feel like an impossible degrading of the whole project, an abandonment of the ultimate utopia, socialism ‘on the cheap’, at a capitalist or anarchist bargain. But the pragmatically oriented will pay attention to the extraordinary ambition of this minutely precise and frighteningly clear-minded charting of the theoretical and realized promises of progressive schemes of action throughout the world.

Erik Wright has been a realist socialist for a long time. Already in 1985, he warned that the Marxist description of antagonistic production relations under capitalism did not quite fit our managerial, service-oriented economy. And so in *Classes* (1985), he turned his attention to these paradoxical social locations produced by the bureaucratization of firms and the rise of a credentialed class—locations marked by control without ownership, supervision without exploitation, semi-autonomy and flexibility within the wage relation. Already in 1985, internal contradictions, the hybridity of forms, a concern for the place of the Marxist theoretical model in current society and, above all, a definitive (shall we even say Weberian?) taste for typologies were the stuff of an unmistakable analytical style.

*Envisioning Real Utopias* (2010) presents itself as a pragmatic undertaking. Its claim to legitimacy is its potential usefulness to utopians of all stripes. And so its author is very careful to define his terms, to build up the edifice brick by brick, concept after concept after concept. The result is impressive, dense and exceptionally coherent. But that is not the question, actually. Logical consistency is not the criterion by which Erik Wright wants his book to be judged. Instead, he claims a more pedestrian, perhaps more American, value: usefulness. So we must judge the book by this metric and ask ourselves whether *Envisioning Real Utopias* is indeed the useful social compass it claims to be.

## 1. A political critique of capitalism

*Envisioning Real Utopias* accomplishes two important rhetorical *tours de force*, each of which is bound to transform the debate over the nature of socialism for many years to come. First, we learn that historical, realized forms of socialism were never truly socialist by Wright’s definition. ‘Socialism’ (or rather, ‘socialism’, as Wright puts it) refers to the political conditions that allow for human flourishing: these consist primarily of democratic egalitarian governance practices (though Wright does not quite abandon the Marxist emphasis on workers’ parties). Second, we are reminded that socialism defined in this new way is not a utopian utopia, but a real one. In fact, such real socialist utopias have blossomed in the realized past and present forms of capitalism—including our modern neo-liberal age. In a sense, contemporary capitalism is like the bourgeois gentleman mocked by Molière, who has been speaking in prose without knowing—it has harboured various forms of socialism without being aware of it. Socialism,

redefined as social empowerment, is in fact all around us, small and large pockets of it everywhere, if only we paid attention!

Against the popular and academic traditions that oppose capitalism and socialism as alternative economic projects, Wright thus opposes capitalism as an economic ideal-type with possibly destructive political consequences to socialism as a political ideal-type with possibly beneficial economic consequences. Let us, in passing, be slightly disappointed by the fact that Wright does not reach back in time towards the long-lasting intellectual traditions that have grappled with very similar issues. Starting with John Stuart Mill, the late nineteenth century British political economists argued that a market economy was compatible with an infinite number of distributional arrangements and policy priorities. Furthermore, they acknowledged that these arrangements, and the fiscal compromises they are based upon, are by and large a matter of *political* organization, governance and decision-making *within capitalism itself* (and this realization was of course an essential argument for the development of the characteristic brand of non-Marxist socialism in the UK).

But let us leave these unrecognized ‘social-ists’ behind and move on. The fact is that, in spite of the opening chapter titled ‘What’s so bad about capitalism?’, Wright is chasing another animal altogether. Few today would agree that bringing the ‘social’ back into socialism implies a centrally planned economy. Bringing back the social, then, has to be about something else—precisely what was so cruelly missing from every centrally planned economy in the world: democratic participation and governance. The socialist utopia of the past focused on the transformation of economic relations; it was vague about politics and ultimately ended with political dictatorships. The new socialist utopias will focus on the reform of political relations, to harness positive distributional consequences in the economy. *Envisioning Real Utopias* is thus not a book about capitalism (in the sense of ownership relations) and its critique; it is a book about democracy. For Wright, it is through social empowerment of a democratic, egalitarian kind that private ownership relations will not lose their right to exist (this eminently Marxist aspiration has been left behind), but *their determining influence on people’s life chances*—a more Weberian (again!) approach. And this is why reforms of electoral processes, corporatist bargaining schemes or the municipal participatory budgeting in Porto Alegre play such a prominent role in buttressing Wright’s analytical scheme empirically.

## 2. A neoliberal socialism?

But how far do these institutional designs go to ensure human flourishing? Who benefits? Wright’s balanced discussion of the cooperative market economy centred around the Spanish firm Mondragon acknowledges the dilemma very

directly: collective, worker-based ownership can only go so far if solidarity is to be preserved in a massively enlarged firm, and competitiveness is to be maintained for the whole (capitalist) organizational structure. Thus, while the core corporation in the Basque country resembles a cooperative ideal, Mondragon's Brazilian subsidiaries are just that: the subsidiaries of a capitalist market firm, with no say in its governance.

What kind of object is Mondragon, then? This 'hybrid' example, as well as many others, brings to light the question of the work done by the analytical categories used in this book—capitalism, socialism—and the fuzzy line that divides them in this broad rethinking. It is remarkable, in particular, that much of the vocabulary mobilized in this gargantuan canvassing of progressive, emancipatory designs bears some strange similarities to the vocabulary used by advocates of markets. This may not be a coincidence, since both would, after all, participate in the same *episteme* (Foucault, 1971), or the same historical conditions of possibility of knowledge and discourse.

Wright himself notes the paradox (p. 195: Jimmy Wales, Wikipedia's founder, is a free market enthusiast), but pays little attention to it. Still, the point is worth raising. When Marxism criticized capitalism as a system of exploitative ownership relations, the neoliberal response was to displace the debate and redefine capitalism altogether: as an information-processing machine. For Hayek (e.g. 1945), what was important in capitalism was not property rights, but the market economy, a powerful, self-regulating, ruthlessly efficient device that was able to process the knowledge detained by large numbers of formally equal participants. Furthermore, this process was entirely voluntary—people were free to participate and share their information (or not). Politically, the analogy between the market and democracy was irresistible. It was picked up and popularized by the likes of Ayn Rand and Milton Friedman and contributed in no small part to the success of neoliberal political movements all around the world. It still profoundly inspires the recent revival of political libertarianism in the USA.

The extraordinary merit of Wright's book is to reclaim some of that political terrain and vocabulary for the left—to reclaim, in short, democratic egalitarianism as 'social-ism', but of a sort that is very distinct from socialism's earlier realization as a system of ownership relations (this Wright now re-labels 'statism'), as well as from the democratic parody that market populism offers. Hence Wright's extolling of Wikipedia (pp. 194–203) with its decentralized model and encouragement of individual participation, from which a true collective good has emerged. When everyone contributes selflessly, free willingly, something grand gets produced, and all benefit. But there are two catches: first, Wikipedia would not survive economically without human philanthropy. Democratic, open designs are not in and of themselves blueprints for economic viability. All social economy initiatives face that limitation, and it prevents most of them

from scaling up true to form (that was Mondragon's problem, too). Second, Wikipedia is always in danger of having certain entries insidiously controlled by powerful actors (states, corporations), who might use it to advance or protect their interests. Open institutional designs are not in and of themselves blueprints for social empowerment. As we (and Wright himself) know very well from the experience of 'free' markets, these designs might facilitate concentrations of power instead.

### 3. The social and economic conditions of participatory politics

This brings me to my last point, which has to do with how these utopian designs work, and whether they can do what they are called to do. Focused as it is on democratic empowerment, Wright's book rarely raises the simple question of the social conditions of participation: education, time, resources and 'habitus'—note that the first three of these, importantly, require an active and benevolent state for their realization. And even when that is taken into account, one serious and nagging worry remains that this process of bending the course of capitalism through pressure from below in a sort of Habermasian communicative fantasy, and of empowering the 'social' through 'participatory' schemes, may be mistaking the reality of openness for true opportunity, the reality of opportunity for true participation and the reality of participation for true human flourishing or true democracy. Witness the reactionary post-crisis 'citizens' movements', like the recently organized Tea Party in the USA or the True Finns in Finland, both of which rallied around economic claims. In all fairness, Wright does anticipate these difficulties (see pp. 145–147), but chooses to stay buoyantly optimistic.

Second, for all its remarkable breadth in singling out attractive examples, *Envisioning Real Utopias* rarely asks the question of the institutional and cultural conditions of transplanting each progressive scheme from one setting to another. One of the great contributions of the comparative political economy literature [e.g. Hollingsworth and Boyer (1997), Esping-Andersen (1999), Hall and Soskice (2001), to cite only a few] is to have made us painfully aware of the fact that institutional blueprints do not stand on their own, but always in relation to a whole institutional ecology—in other words, a complex system of 'institutional complementarities' that feed into one another across domains, from the structure of the education system to job training policies, to the financing of corporations, to fertility patterns. From that point of view, varieties of capitalism are more than just *degrees* of state control or social-democratic tampering with certain discrete markets (Wright's analytical model): they are *comprehensively* different patterns of economic and political organization rooted in culturally rich sets of mutual expectations. Consequently, one would expect the varieties of

‘social-isms’ to entertain a relation of institutional complementarity to their capitalisms and societies of origin, too. Wright touches on some aspects of this debate in his comparison between Sweden and the USA. But how might such a gigantic constraint force us to recognize that the different ‘social-isms’ are not born equal and that some—e.g. universal health care—have a much greater capacity to change the lives of a large number of people than others—e.g. a decentralized and piecemeal set of participatory municipal initiatives?

Indeed and third, for all the world’s real utopians, there are still lots of questions that are not being asked, lots of actions that are not being taken. While Wright’s discussion of interstitial schemes like fair trade campaigns is especially rich with examples, it is quite remarkable that—as we are reeling from an economic crisis of epic proportions—the much more consequential questions of macroeconomic organization or financial regulation remain either peripheral, or are dealt with in a regrettably abstract way. There is a good reason for this: those aspects of modern capitalism that are most likely to affect people’s lives through these channels are especially difficult to align with emancipatory goals precisely because their highly technical nature makes them particularly vulnerable to expert monopolies—I am thinking here, quite specifically, about everything having to do with money: international capital movements, monetary policies, credit rating systems and complex financial instruments. In the face of the recent regulatory fiascos, should we ‘envision’ another social movement, or perhaps another rating organization, staffed with unemployed business school graduates (however utopian that may be), to expose financial institutions for excessive speculation, inflated bonuses, shady lending practices, cozy network relations, and to exert political control over accounting standards, capital requirements and financial formulae? This is the kind of place where, perhaps, the rubber of Wright’s reformed vision of ‘social-ism’ actually meets the road. Some real socialist utopias may be just as naïve about the economic power of democracy as some neoliberal utopias are about the democratic consequences of markets.

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## Neo-Tocquevillian Marxism: Erik Olin Wright's *Real Utopias*

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The contemporary left can boast many brilliant students of capitalism, the state, culture and geopolitics. But its strategic thinking is woefully underdeveloped. There are two obvious explanations for this: the chasm between the injustices of global capitalism and the sorts of social agents that could potentially transform it, and scepticism about the project of a scientifically informed radical politics. Whatever the reason, the left still awaits a figure who could plausibly claim the mantle of Lenin, Gramsci or Trotsky. Wright's *Envisioning Real Utopias*, although politically antipodal to the Third International, focuses precisely on the questions of *socialist strategy* that were at the core of this intellectual tradition. If only for this reason, his courageous book deserves close attention.

*Envisioning* is best understood as a statement of neo-Tocquevillian Marxism. The basic elements of Wright's critique of capitalism derive from Marx, but both his image of socialism and his politics are much more indebted to Tocqueville or Durkheim (although he discusses neither of these authors explicitly). This is clear both in his view of socialism as 'social empowerment' rather than a mode of production and in his preferred political strategy that relies not on class struggle, but on broad social cooperation. What are the strengths and weaknesses of this synthesis? *Envisioning Real Utopias* makes two key contributions: it provides a refreshing (if ultimately unsatisfactory) concept of socialism, and it lays out a strikingly coherent and bold vision for radical politics. Let me begin by briefly reviewing these strengths.

*Envisioning* provides a specification of socialism that distinguishes it from the legacy of authoritarianism. Socialism for Wright ‘is an economic structure within which the means of production are socially owned and the allocation and use of resources for different social purposes is accomplished through the exercise of what can be termed “social power”’ (2010, p. 121). The project of socialism is therefore from Wright’s perspective to increase the weight of the ‘social’ in determining the allocation of resources. The strength of this position is obvious. By emphasizing ‘social power’, Wright dissociates the socialist tradition from ‘state socialism’ and thus successfully re-energizes it for the post-communist era. This is a valuable contribution.

The second great strength of Wright’s book is that he provides a clear and compelling account of what the basic demands of radical politics in an advanced capitalist society should be. The key initial demand should be a universal basic income that everyone would receive simply by virtue of citizenship. This would eliminate poverty, increase the bargaining power of labour and give people the ability to experiment with enterprises in the cooperative economy. These developments in turn would ‘increase the political will for new forms of participatory socialism’ (p. 269). In my view, as a medium-term maximum demand, this seems very reasonable. A fresh re-conceptualization of socialism and the beginnings of a concrete political strategy for achieving it: these are the two main achievements of Wright’s book.

However, despite these strengths, Wright’s book suffers from one major and highly paradoxical (given its author) flaw: it does not take adequate account of class. This absence leads to three main problems: a radically incomplete conceptualization of socialism, an unrealistic view of the dynamics of contemporary capitalism and a tendency to consider social democracy a viable strategy for radical politics.

## 1. Socialism

Wright states that “socialism” is the term for the subordination of economic power to social power’ (p. 121). This is not clear. For whether the subordination of economic to social power leads to socialism would seem to depend heavily on who wields it. Capitalists and landowners in particular have historically been very effective at using social power: there are numerous examples of firms and agribusinesses cooperating to share technology, to control output and prices, to establish long-term relations with suppliers, to lobby the government to pursue their interests or to exclude politically radicalized workers. All of these processes involve cooperation and deliberation, not *exclusively* economic power as control over property rights, but I do not believe it makes sense to speak of them as processes tending towards socialism. The extension of social power



over the economy in this sense is at least compatible with the maintenance of capitalist class relations and may be in fact necessary for their reproduction. Therefore, without specifying who is exercising social power, there is little reason to think that its extension *per se* is likely to lead to socialism or to even move society in the direction of socialism; there is therefore little reason for socialists to adopt the extension of social power as a normative project.

Despite these problems, I still believe that Wright's core idea about socialism is correct, but it needs greater specificity. It seems to me that the aspect of 'social power' that really attracts Wright is deliberation. In discussing the concept of Empowered Participatory Governance, he argues that 'in the ideal, participants offer reasons, appealing to common interests or commonly held principles, to persuade one another of the proper course of action or problem solving strategy' (p. 163). Social empowerment is important, in other words, because it is a way of *rationalizing* decision-making. From this perspective, the extension of social power is not really a value in itself, but a means to establishing a *rational society* (Habermas, 1970, pp. 91–92).

From this perspective, then, it is possible to recast socialism as Szelényi (1978, p. 67) described it: a system of rational redistribution in which the allocation of the social surplus is legitimated through substantive rationality. But whereas in Szelényi's understanding substantive rationality is embodied in the teleological doctrine of Marxism/Leninism, in Wright's understanding substantive rationality is guaranteed not by doctrine, but rather by deliberative procedures; only such procedures can guarantee substantively rational decisions in the sense that these decisions are the product of a dialogue in which reasons and evidence are adduced (Habermas, 1998, p. 117). Socialism, then, is a system where the allocation of the social surplus is determined not behind the backs of social actors, but according to agreements based on public discussions governed by the rules of rational critical discourse.

I think that this formulation, while it preserves the idea of socialism as based on deliberation, has two main advantages over Wright's. First, I think it makes clear that socialism requires not just an extension of 'social power', but also the elimination of class power. Deliberative bodies only really work as designed where there is a fundamental homogeneity among the representatives, so that debate unfolds according to reason and not as the clash of pre-constituted interests. Socialism as 'rational redistribution' can exist only where there is fundamental homogeneity of class interests in deliberative bodies. The extension of 'social power' would mean the extension of deliberation only under these conditions.

Second, I think this specification of socialism as a system of rational redistribution gives a much clearer foundation to the connection between democracy and socialism than that offered by Wright. Since decision-making can be rationalized only through a process of deliberation, in order for socialism to be a system

of rational redistribution (that is to say, in order for it really to be socialism), it must also include many deliberative institutions. It is not that there are two demands: democracy and socialism. The point would be, instead, that socialism as a system of rational redistribution can only exist in a highly democratic context.

## 2. Capitalism

Wright's neglect of class is also evident in his view of capitalism, and particularly in his view of its probable trajectory. It might seem surprising to speak of a theory of trajectory in Wright, since he explicitly denies the existence of one. However, a close examination of his book reveals strong implicit views about the future development of capitalism and its relationship to the state.

For Wright, capitalism is a 'growth machine'. Capitalists tend to innovate in order to reduce unit costs and increase their profits because they face competitive pressures from other capitalists. If they fail to innovate, their businesses will be eliminated. As Wright puts the point, 'The resulting relentless drive for profits generates the striking dynamism of capitalism relative to all earlier forms of economic organization' (2010, p. 35). Wright also has a strong theory of the trajectory of the relationship between states and capitalism. For him, one of the key reasons that Marx's theory of crisis is wrong is that he underestimated the extent to which states can counteract business cycles. Furthermore, Marxists and radical anarchists have failed to appreciate that the necessary autonomy of the state from different factions of the capitalist class also means that the state can intervene in economic processes and 'risk the continual politicization of the capitalist economy' (p. 292). Indeed, Wright argues, 'There is unlikely ever to be a stable, sustainable equilibrium in the articulation of capitalist state power and the capitalist economy; the trajectory over time is more likely to involve episodic cycles of regulation/deregulation/reregulation' (p. 292). Wright's prediction here, then, is that the state will continue to act in the future as it has in the past, periodically de-regulating and then re-regulating capitalist production.

A tendency to long-term growth and a state that is autonomous enough from the capitalist class to counteract the business cycle, but also tends to politicize economic issues: this is Wright's basic vision of the 'history of the future of capitalism'. It is worth asking, where does this vision come from? I think it could be argued that this image of capitalism is a projection of a highly specific period of economic history: basically the long post-war boom from 1945 to 1975. What I would suggest is that this period was characterized, among other things, by a highly specific balance of *class forces*. The working class was relatively strong in this period, and this limited the production of absolute surplus value, making

capitalism unusually productive. Further, one might suggest that the strength of labour also was a major reason for the emergence of a 'relatively autonomous state'. A key question then is: is the capitalism of the future likely to have the features of the capitalism of the years of the long boom?

One does not have to be a millenarian to doubt whether this is really true (at least in the USA and Europe). Capitalism over the last 30 or so years has not been a particularly dynamic economic system compared with the capitalism of the long post-war boom. Its basic economic performance has not remotely corresponded to its ideological triumph (Brenner, 1998, p. 6; Judt, 2005; Cowen, 2011, p. 453). The fossil fuel infrastructure established in the post-war period has not been fundamentally transformed. The 'new economy' keeps failing to appear. Who now remembers that Japan and Northern Italy were supposed to have established a fundamentally new model of economic growth called 'flexible specialization'? What is left of the idea that information technologies were supposed to open a new frontier of productivity and prosperity? Where is bio-technology, or the green economy?

I think that Wright's work suggests one important reason for this distinctive-ly unimpressive economic performance: the disintegration of the working class as a coherent actor. It is worth remembering that class formation for Marx was never simply a sociological add-on to his basic account of capitalist development. Instead, class formation and class struggle played a key role in Marx's account of its dynamics. By placing limits on the extension and intensification of the working day, class formation (unionization in particular), in addition to intra-capitalist competition, was central to the shift from absolute to relative surplus value and therefore economic growth. If, however, working class associational power has been decisively weakened over the last 30 years or so, one would expect this to have consequences for the extent to which capitalism itself is a growth machine. But since Wright specifies the dynamics of capitalism<sup>1</sup> and the relationship between capitalism and the state without taking account of class, he does not pose the question of how the changing balance of class forces within contemporary capitalism might affect the system's evolution.

Wright's neglect of class, to summarize, not only distorts his view of socialism, it also blurs his vision of capitalism. For Wright, capitalism is a timeless economic system, not one that has a specific history marked by sharp changes in the relative balance of class forces. Concretely, this means that Wright tends to project the social conditions of the long post-war boom into an indefinite future, without

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<sup>1</sup>Of course, Wright recognizes that capitalism is both a class structure and a system of economic coordination through markets. But he conceives its economic dynamic exclusively in terms of inter-firm competition, not class struggle (p. 35).

acknowledging their specific historical bases. This understanding of capitalism has very important political consequences.

### 3. Transformation

The most striking impact of Wright's neglect of class is evident in his strategic recommendations. Wright's political instincts are obviously quite radical. As indicated above, his main idea is that the first task of the left should be to establish universal basic income substantially above the poverty line, thus giving a powerful boost to organized labour and allowing people to experiment with the cooperative economy. But his strategic recommendations do not live up to this vision. The basic problem is that Wright tells us nothing about what still has to be the central task of any adequate strategy for achieving socialism: destroying the entrenched political and economic power of the capitalist class. Without some plausible strategy for at least decisively weakening the power of private owners of the means of production, it is unclear how a generous basic income could, for example, be established.

It is perhaps unfair to blame Wright for the weakness of his strategic recommendations. Far from being an intellectual failing, this clearly reflects existing circumstances. But there is more to it than this, for Wright's account of strategy is marred by an enervating social democratic tone that leads away from a real engagement with the revolutionary socialist tradition. This is most evident in the contrasting discussions of ruptural and symbiotic transformations. While most of the short chapter on ruptural transformations is in fact a critique of them based on the idea that they are unlikely to be in the material interests of the majority of the population, Wright's long and sympathetic chapter on symbiotic transformations devotes exactly a paragraph to critiques of social democracy.

This set of political conclusions is partly a result of Wright's vision of capitalism critiqued in the previous section. Wright rejects ruptural transformations because they cannot avoid damaging the material welfare of the 'median person'. Implicit in this claim is the idea that in the absence of a transition to socialism that level of welfare would continue gradually to rise because, presumably, of the continuing dynamism of the capitalist economy. In short, Wright thinks that capitalist economies will continue to generate substantial economic growth into the foreseeable future and that this economic growth will tend to increase the material welfare of the 'median person'. Ruptural transformations are therefore economically irrational. But as I have already indicated, Wright's vision of capitalism is itself questionable, and therefore so are any political conclusions that follow from it.

Wright's neglect of ruptural transformations can also be questioned on straightforward historical grounds. After all, ruptural transformations are the only examples of successful transitions to non-capitalist societies (however authoritarian). In contrast, social democracy and anarchism are, from the perspective of achieving socialism, clear examples of *failure*. Wright avoids recognition of this obvious fact by transforming societies from articulated wholes into hybrid structures each combining elements of socialism, capitalism and statism. From this point of view, even the USA counts as 'partly socialist'. He is, of course, correct to suggest that it is difficult empirically to establish the limits of reform. But it would seem that a serious attack on property is one obvious one. In the interwar period, the examples of the *biennio rosso* and the Spanish Second Republic stand as stark reminders of the ultimate limits within which socialist reforms can be pursued in the context of a normal parliamentary regime. More recently, the failure of the Meidner plan to create wage earner funds that would give workers a direct say in investment decisions 'triggered a massive, hostile reaction by the Swedish capitalist class' (p. 232). In the face of these historical examples, it seems unlikely that a real utopia could ever be established without a transformative strategy that includes, but is not restricted to, a decisive rupture.

Despite these critiques, however, the importance of Wright's book cannot be overemphasized. Against all the odds, his analytically rigorous and empirically rich book has firmly placed the question of socialism on the agenda of contemporary sociology. This is an invaluable political and intellectual contribution.

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# Intermittent revolution: the road to a hybrid socialism

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Real Utopias is a project melding features of state-based, market-based and socially-based economies to build a 'hybrid socialism'. Whereas utopianism connotes imagining purely egalitarian societies without any basis in existing realities, the Real Utopias project envisions a more sustainable socialism based on turn-of-the-twenty-first-century experiments. The idea of hybrid socialism is also an alternative not only to state socialism and market socialism, but also to thoroughly bottom-up (though naively simple) ways of building a post-capitalist society through eradicating both the state and the market (as in some versions of anarchism, autonomism and council communism).

The most distinctive aspect of this project is that it is both a research programme and a political programme. As the books published in the Real Utopias series attest, the research programme is based on analysing economic experiments that are at least partially based on a notion of the common good. On the other hand, the central political idea (as demonstrated by Erik Wright's recent book) is basing socialist imagination on existing experiments, rather than either imagining a completely different world from scratch (as in utopian socialism) or leaving the institutional design of socialism to the outcome of future struggles (as in most of classical Marxism). This vision is a welcome intervention in an era where the ills of the free market are increasingly visible, but a clear alternative is missing.

I will focus my comments on the strategic aspect of the Real Utopias project. One important contribution of Wright's book is showing that revolutionary (or 'ruptural'), symbiotic and interstitial strategies would be unsuccessful if applied exclusively. 'Symbiotic transformation' is the name Wright gives to what is usually called reformist strategies of building socialism; these operate through cooperation with (rather than struggles against) capitalists and the state. Interstitial transformation, which the book associates with the anarchist and syndicalist traditions, works through ignoring the capitalists and the state and building alternative institutions. Wright devotes four chapters to showing that revolutions are increasingly unlikely (and undesirable); yet, exclusively

interstitial and symbiotic strategies are too restricted to lead to a new society. Hence, what seems to be most appropriate is a combination of all three strategies.

While the idea of combining these three strategies is potentially useful, we need to ask: what are the priorities, and which strategy will have the upper hand? What element will combine them? Who will combine them? (The book does not directly answer these questions, though Wright implies that interstitial strategies are more pertinent than symbiotic ones, and both are more viable and desirable than ruptural paths). We also need to take a closer look at the actual failures and successes of these strategies in their world-historical contexts.

First of all, at least in a couple of cases, the combination has been tried out and found wanting, particularly in the case of Eurocommunism. In Italy, for example, the Communist Party expended most of its energy on building alternative sources of power, most notably egalitarian municipalities and unions (that is, it put Wright's interstitial strategy in the centre). It also combined these with parliamentary work (a reformist strategy, or 'symbiosis' in Wright's terms) and at least a rhetorical commitment to revolution. Yet, despite this combination, communist municipalities started to function like capitalist ones in the long run (a danger, Wright grants, that plagues all interstitial anti-capitalism). The party did not seem too keen to make use of revolutionary opportunities in the 1960s. So, it seems that a rhetorical commitment to revolution is not sufficient.

We also need to contextualize the social democratic successes studied in the book (success in the restricted sense of introducing socialist elements into capitalism, rather than in the sense of building socialism, where social democracy has failed miserably, as Wright underlines). We need to evaluate them within the balance of forces of their times and the specific perceived opportunities and threats of those times. The book does not really highlight the fact that twentieth-century European capitalists and state elites have made most of their concessions to the popular classes *because of threats of revolution* and/or Soviet influence (this is mentioned only in passing). Symbiosis would not be a sustainable strategy without the (imagined or real) threat of the 'worker's revolution'. Once the mentioned threats were removed around the 1980s, the business and bureaucratic elites have reverted to a market capitalism that closely resembles Marx's diagnostics (which Wright refutes in detail, without acknowledging that his refutations are valid for twentieth-century capitalism, but might not be valid for twenty-first-century capitalism). Therefore, a revolutionary future, even if only a myth, seems to be a quite useful one.

But even in such a context, limits of a symbiotic strategy are well demonstrated by Wright's discussion of the Swedish social democratic project of the 'share-levy'. The project was based on channelling funds into wage earner shares in the companies. Gradually, unions would own more of the companies than business. The project ultimately lost because of business and right-wing opposition. Beyond

reminding us of the limits of the *most* social democratic case, the example gives a clue of how business and the ruling elite would fight all such reformist attempts till the last drop of their blood. So in this sense, a social democratic transition to socialism is not necessarily more viable than a revolutionary transition, unless we assume that pro-business sectors will for some reason be apathetic and lethargic enough to ignore a gradual evolution into a society where their interests would be ultimately subordinated—a highly unlikely scenario.

A similar point can be made regarding Wright's interstitial strategy. This strategy is built on the idea of bringing down capitalism through building non-capitalist civil society. The empirical material Erik Wright discusses makes very clear that this is not a sufficient formula. Examples range from the fight for environmental protection which ends up working more to the benefits of rich constituencies to nodes within the social economy that slide into capitalism.

The most central cases discussed in the book are no exception. For instance, Wright notes that universal basic income can create perverse effects (it would also certainly be resisted violently by upper classes, if ever attempted). He also points out that the workers' cooperatives of Mondragon and Brazil's participatory budget have the potential of degenerating into capitalist ventures.

Mondragon is an important case the book discusses, as in contrast to the usually small workers' cooperatives, it is quite vast. But Wright also shows how as it expanded, especially overseas, Mondragon started to function like a capitalist firm. As Wright reports, this was one of Marx's predictions about cooperatives. Yet if this is the case, the empirical basis for the potential successes of interstitial experimentation *without social revolution* gets thinner as the book proceeds.

The only way of sustaining these institutions as anti-capitalist, I suggest, would be by situating them in a wide, sociopolitical network. Parts of this network would work on the 'interstitial' civil society aspect (the central nervous system of the network), parts of it would negotiate with the state and the capitalists (the right hand of the network), but parts of it would actually struggle for ruptural transformations (the left hand of the network). Moreover, other nodes within this network would mobilize intellectual and other resources to imbue the non-ruptural nodes with an oppositional spirit, reminding their actors continuously that their ultimate goal is building a socialist society where the market is perhaps not destroyed, but at least subordinated. In other words, an interstitial strategy can only work if it is embedded in a ruptural strategy.

In this sense, what I am recommending is an *uneven* combination of the three strategies: although the core of the actual activities would be interstitial, the heart and mind of the combination as a whole would be revolutionary to prevent the interstitial and symbiotic work from turning into adjustments within capitalism.



To put it differently, whereas the actual ruptural organization against capitalism would play a secondary part in comparison with the work of organizing an egalitarian civil society, it would lead the core activities.

Wright hints in this direction in parts of the text. The whole discussion in Chapter 10 suggests that repeated revolutionary upheavals are necessary, rather than that revolutionary thinking is outmoded (as argued in Chapter 9). A figure on page 333, for instance, points out that the interstitial strategy of building non-capitalist institutions would frequently encounter limits under capitalism. Social struggles would intermittently have to erode capitalist limits in order to sustain socialist institution-building. For a transition to socialism, struggles would eventually need to dissolve these limits. The figure invokes the image of a variegated strategy: socialists and their allies would focus on building alternative institutions during certain periods, but then 'recursively' focus on mobilizing against barriers that block the flowering of these institutions. Such a fight, however, could have to be more contentious than the book recognizes.

I would call this back-and-forth strategy of erosion and dissolution an 'intermittent revolution' (rather than Trotsky's permanent revolution), as it acknowledges periods of calm and institution-building. But it also acknowledges, unlike reformist strategies, the necessity of massive mobilization to clear the way and prevent the upper classes from achieving full restoration. The model I have in mind is the bourgeois revolution in France, which started in 1789, but had to be staged again in 1830 and 1848, and in weaker fashion in 1871. In each strike of the intermittent revolution in France, the goals and the strategies were both expanded and refined, and the bourgeois revolution slowly developed elements of a proletarian revolution. This happened not only because 1789 was an incomplete revolution (all revolutions are incomplete to a degree), but also because each of these rehearsals of popular power (except 1871) convinced broad sectors that more empowerment was possible. The Popular Front (in the late 1930s) and the uprising of 1968 were further rehearsals but also attested to the necessity of a more sustained strategy. By 1968, hopes had mostly fulfilled and surpassed the horizon of a bourgeois revolution, but with no political organization to match the new desires (i.e. Eurocommunism was really lagging behind). The French intermittent revolution had over time built a bourgeois society and also harbored the seeds of a still more developed society.

We can build on this historical example to imagine an intermittent revolutionary path to socialism. Workers and citizens would not be completely obsessed with revolution and, just like the French bourgeoisie in the eighteenth and nineteenth centuries, would develop their civic organizations in normal periods. But they would also maintain the threat of revolutionary

upheavals and resort to them whenever needed. The French bourgeoisie did not refrain from cooperating with elements of the old order, but this cooperation was subsumed under revolutionary threats (and an overall ruptural vision) and, therefore, did not serve to restore aristocratic privileges in the long run. Likewise, symbiotic strategies could serve the transition to socialism *if* they are subordinated to revolutionary and interstitial ones over the long term. This intermittent revolutionary process would slowly build socialism over the span of a few centuries and perhaps even lay the groundwork for a post-socialist society.

The events in North Africa have demonstrated that the question is not whether new revolutionary uprisings will take place; it is whether they will take a sustainably social route. The Tunisian and Egyptian revolutionary upheavals started out with social as well as political demands, but in time, political demands started to outweigh (if not drown out) social demands. This was partially because the international intellectual environment, in addition to the major national political actors, focused on liberal democratic grievances at the expense of social ones. One reason for this restricted focus is the depletion of the intellectual arsenal that links political struggles to social issues. A public task of social science is, then, providing some of the tools that the actors of these uprisings could use to write the social into the revolution through connecting elements of rupture, symbiosis and a civic spirit.

## Taking the social in socialism seriously

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Two broad themes are especially prominent in the insightful and generous comments made by Dylan Riley, Marion Fourcade and Cihan Tuğal on my book, *Envisioning Real Utopias*: the first concerns the conception I propose of socialism as a vision beyond capitalism; the second, my approach to the problem of social transformation, especially my analysis of ruptural strategies. In the discussion which follows, I take each of these themes in turn. In order to set the stage for the discussion, in each case I will begin by briefly outlining the central

components of the framework I develop in the book.<sup>1</sup> Once this is done I will engage the critical issues raised in the three commentaries.

## 1. The conception of socialism as a vision beyond capitalism

### *The framework*

The central theoretical task of *Envisioning Real Utopias* is to develop a coherent set of concepts for rethinking the problem of emancipatory alternatives to capitalism. The core of this endeavour is a distinction among three ideal types of economic structures: capitalism, statism and socialism. I differentiate these structures along two dimensions: the form of *ownership* of the means of production and the form of *power* that most pervasively controls economic activity. Here are the key definitions in the book (pp. 120–121):

- *Capitalism* is an economic structure within which the means of production are privately owned and the allocation and use of resources for different social purposes is accomplished through the exercise of economic power. Investments and the control of production are the result of the exercise of economic power by owners of capital.
- *Statism* is an economic structure within which the means of production are owned by the state and the allocation and use of resources for different social purposes is accomplished through the exercise of state power. State officials control the investment process and production through some sort of state-administrative mechanism.
- *Socialism* is an economic structure within which the means of production are socially owned and the allocation and use of resources for different social purposes is accomplished through the exercise of what can be termed ‘social power’. ‘Social power’ is power rooted in the capacity to mobilize people for cooperative, voluntary collective actions of various sorts in civil society. . . . If ‘democracy’ is the label for the subordination of state power to social power, ‘socialism’ is the term for the subordination of economic power to social power.

These three forms of economic structure never exist in the world in pure forms, but are always combined in various complex ways. I refer to these as *hybrids*. This is the pivotal concept for the substantive analysis, for real utopias are constructed within a world of hybrid economic structures. Hybrids vary in the way these

<sup>1</sup>In the two years since the final draft of the book was completed in August 2009, the framework of analysis has undergone some changes. In my exposition here I will present the most recent iteration and indicate where this differs from the earlier formulation.

different forms of power are connected and interact. To call an economy ‘capitalist’ is thus a shorthand for a more cumbersome expression such as ‘an economic hybrid combining capitalist, statist and socialist economic relations within which capitalist relations are dominant’. The idea of hybrid can be used to analyse the concrete forms of economic structure within any unit of an economic system: within firms, sectors, regional economies, national economies, even the global economy. In these terms, then, the possibility of socialism revolves around the problem of enlarging and deepening the socialist component of the hybrid and weakening the capitalist component.<sup>2</sup>

The substantive theoretical and empirical elaboration of these conceptual elements involves specifying the different ways in which social empowerment can be increased within economic structures. In the book I refer to these as seven *paths* of social empowerment, but I now think that a better term would be structural *configurations*. To make these configurations easy to identify, I developed a visual vocabulary for showing different patterns in the interconnection among the three forms of power within economic systems. Figure 1 illustrates the basic components.<sup>3</sup> The arrows in these diagrams indicate the direction of influence of one form of power over the use of another; the width of the arrows indicates the strength of this relationship. Thus, in the first illustration, the use of state power is subordinated to social power. This is what is meant, conventionally, by political democracy: people voluntarily form associations—most notably political parties—for the purpose of controlling the use of state power through the institutional mechanism of elections. Such configurations can be connected in chains of power relations, as in the third illustration: in this case, corporate influence over the use of state power occurs through the mediation of the way economic power subordinates political parties, a form of social power.

Figure 2 illustrates the different aggregate configurations of forms of power within a dominant capitalist hybrid economy and a dominant socialist hybrid economy. These diagrams, it must be emphasized, are a way of illustrating the configurations of power *within an economic structure*, not within some broader sense of a society or social system. Thus, the arrows are all directed towards explaining the control over economic activity: investments and production

<sup>2</sup>In the book the synoptic statement of what it means to move a hybrid in the direction of socialism only mentions increasing social empowerment: ‘the greater the degree of social empowerment over the ownership, use and control of economic resources and activities, the more we can describe an economy as socialist’. I thus did not explicitly emphasize the duality of both strengthening the socialist component and weakening the capitalist component. Both are necessary.

<sup>3</sup>The visual vocabulary in these figures differs from the book in two respects: first, the distinction between primary and secondary power relations is missing in the book, and second, there is no explicit discussion of configurations of capitalist empowerment in the book.

Visual representation of power configurations

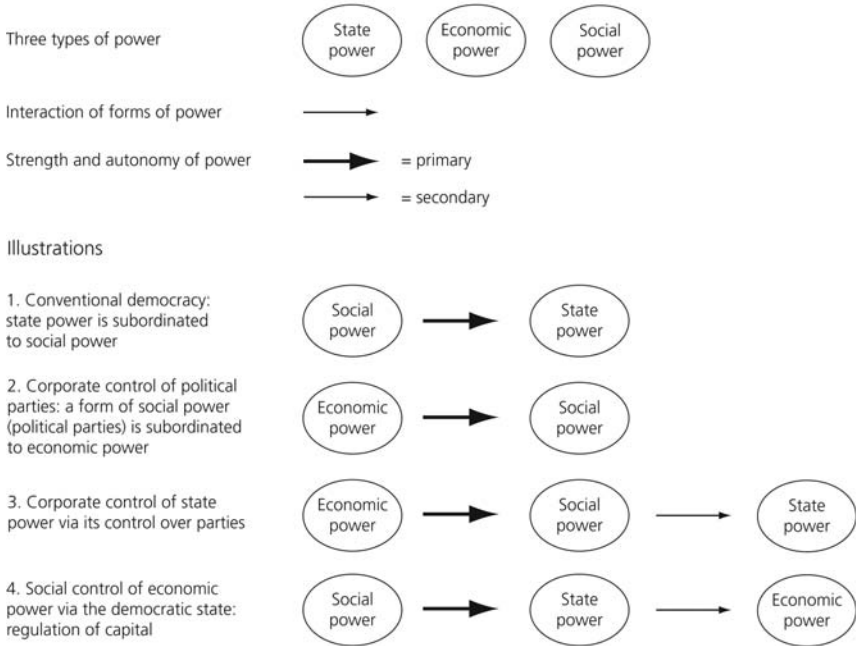


Figure 1 Visual representation and illustrations of power configurations.

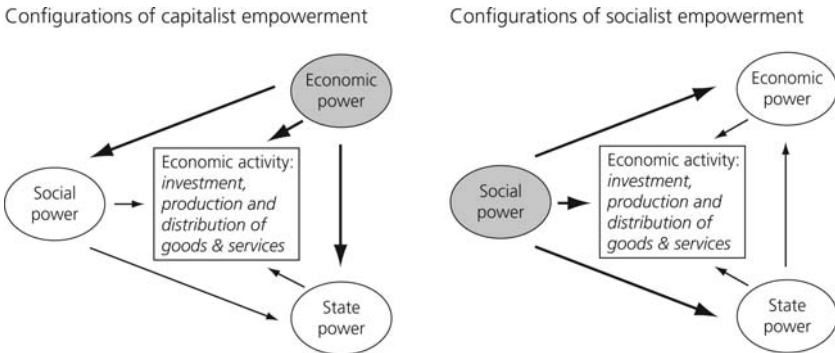
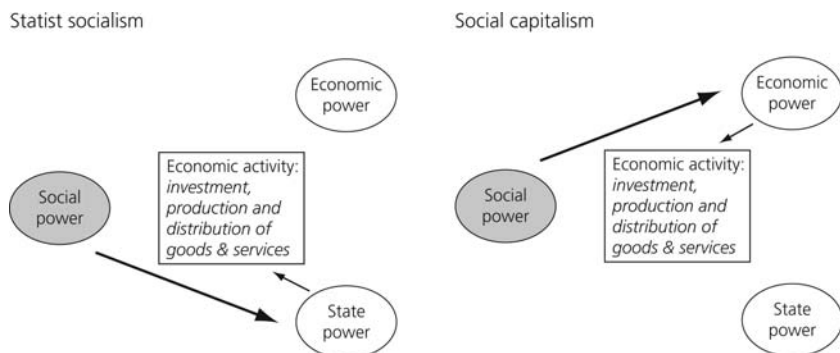


Figure 2 Aggregate configurations of capitalist empowerment and socialist empowerment.

(including the labour process) and distribution of goods and services. In the picture of capitalist empowerment, both social power and state power are subordinated to economic power in the control over economic activity; in the case of socialist empowerment, both economic power and state power are subordinated to social power.



**Figure 3** Two configurations of social empowerment.

The basic purpose for which these schematic representations are used is to differentiate seven different configurations of social empowerment within which specific examples of ‘real utopia’ institutions can be situated. Two of these are illustrated in Figure 3. The left illustration corresponds to the classical definition of socialism: the economy is subordinated to state power—through, for example, state ownership and control over the commanding heights of the economy—while, at the same time, state power is itself subordinated to social power by being democratically accountable to the people. The right illustration, which I refer to as social capitalism, is less familiar. An example would be the solidarity funds of some unions in Canada, where unions use part of their pension funds for private equity investment in geographically rooted capitalist firms as a way of influencing the practices and development strategies of those firms. The other five configurations (not illustrated here) are: social democratic statist regulation, associational democracy, cooperative market economy, social economy and participatory socialism.

### *Criticisms*

Before discussing the criticisms of this general model, some clarification is needed of the theoretical status of the category ‘socialism’ in my analysis. Both Dylan Riley and Marion Fourcade characterize my concept of socialism as in some fundamental way a non-economic conception. Riley describes my ‘view of socialism as ‘social empowerment’ rather than a mode of production’. Fourcade even more explicitly sees my conception as political, not economic:

‘Socialism’ (or rather, social-ism, as Wright puts it) refers to the political conditions that allow for human flourishing: these consist primarily of democratic egalitarian governance practices. . . . The new socialist

utopias will focus on the reform of political relations, to harness positive distributional consequences in the economy. *Envisioning Real Utopias* is thus not a book about capitalism (in the sense of ownership relations) and its critique; it is a book about democracy.

I do not think these characterizations are quite on the mark. I see socialism as a mode of production in the same sense that capitalism is a mode of production: it is defined by a set of social relations of production which, at their core, consist of power relations over the deployment of economic resources in investment, production and distribution.<sup>4</sup> ‘Social empowerment’ is a way of talking about one specific form of those relations of production. Similarly, I would not, as Fourcade does, identify social empowerment with ‘political conditions’ in contrast to ‘ownership’. The term ‘ownership’ is shorthand for a complex set of power relations over the disposal and use of economic resources of various sorts. The ‘rights’ in ‘property rights’ are multidimensional, and different agents can be assigned different rights over different aspects of any given economic resource. If those rights are effective, they correspond to real powers. Social empowerment is a description of one kind of allocation of these rights. So, while it is certainly true that I emphasize that democracy is at the very centre of socialism, this is not to be understood as a characterization of the political conditions outside of economic relations, but rather as the form of power relations inside of economic structures.<sup>5</sup>

Now to the criticisms. I will explore four issues raised in the commentaries: the first two by Riley, and the other two by Fourcade: (1) the neglect of the importance of class in my conceptualization of social empowerment, and especially the ways the enduring power of the capitalist class in hybrid structures is likely to hijack or block any serious movement towards increased social power; (2) the underdevelopment of the idea that socialism is a system of rational deliberation; (3) the dilution of a vision of an economy beyond capitalism through the importation of substantial ‘neoliberal’ elements in my model; (4) the implausibility that the various (real) utopian designs discussed in the book would actually ‘do what they are called to do’.

<sup>4</sup>I prefer the term ‘economic structure’ to ‘mode of production’, since mode of production can be interpreted narrowly as referring only to the production process itself and not the entire structure of economic relations, but in the present context I do not think there is an important, substantive difference.

<sup>5</sup>In addition, it is worth noting that in my formal definition of socialism (cited above) I explicitly refer to social ownership (defined in a narrower way as power over the disposition of surplus) as well as social power.

*Class* Riley states his criticism of my treatment of class power and socialism forthrightly: ‘Wright’s book suffers from one major and highly paradoxical (given its author) flaw: it does not take adequate account of class’. The consequence of this in the analysis of socialism is a failure to recognize the capacity of capitalists themselves to exercise social power through their own voluntary association:

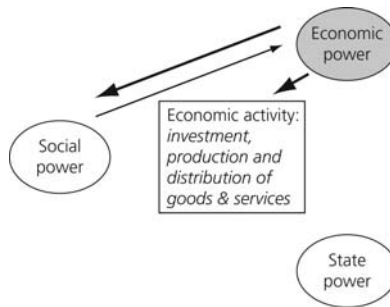
Wright states that “‘socialism’ is the term for the subordination of economic power to social power’ (p. 121). This is not clear. For whether the subordination of economic to social power leads to socialism would seem to depend heavily on who wields it. Capitalists and landowners in particular have historically been very effective at using social power: there are numerous examples of firms and agribusinesses cooperating to share technology, to control output and prices, to establish long-term relations with suppliers, to lobby the government to pursue their interests or to exclude politically radicalized workers. . . . Therefore, without specifying who is exercising social power, there is little reason to think that its extension *per se* is likely to lead to socialism or to even move society in the direction of socialism; there is therefore little reason for socialists to adopt the extension of social power as a normative project.

Riley correctly identifies a problem in the way the argument for social empowerment was elaborated in *Envisioning Real Utopias*. While from time to time I did argue that moves in the direction of socialism require both weakening capitalist power as well as strengthening social empowerment, the systematic part of the exposition focused entirely on the latter. This is clearly unsatisfactory, for it seems to suggest that voluntary collective action over economic activities was always a move in the direction of increasing the weight of social power within the economy. It is for this reason that in Figure 2 above I explicitly lay out the configurations of capitalist empowerment, and I now always describe moves towards a socialist hybrid as requiring both kinds of transformations in power configurations.<sup>6</sup>

Within the formal framework of configurations of power within economic structures, the kind of social empowerment by capitalists Riley refers to above can be represented as in Figure 4. It is true in such cases that social power—as constituted by the collective association of capitalists in organizations like trade associations, marketing cooperatives and cartels—shapes the exercise of economic power over economic activity. This type of social empowerment,

<sup>6</sup>The explicit addition of the configurations of capitalist empowerment to the exposition of the visual vocabulary was directly stimulated by Riley’s comments at the symposium on *Envisioning Real Utopias* in Berkeley where his paper was first presented.





**Figure 4** Corporate associational self-regulation.

however, is itself firmly subordinated to economic power. This is in contrast to the configuration for social capitalism in Figure 3, in which social power has autonomous influence over the exercise of economic power.

*Socialism as rational deliberation* Riley's concern with the problem of capitalist class power is not simply that it can obstruct the kind of popular social empowerment within the economy that I emphasize in my account of socialism. Even more fundamentally, he argues, class divisions block the possibility of developing a rational society. 'Social empowerment is important', he writes,

... because it is a way of *rationalizing* decision-making. From this perspective, the extension of social power is not really a value in itself, but a means to establishing a *rational society*. ... Socialism, then, is a system where the allocation of the social surplus is determined not behind the backs of social actors, but according to agreements based on public discussions governed by the rules of rational critical discourse.

Since true, rational deliberation is only possible where there is homogeneity of interests, a socialism anchored in deliberation is only possible if class divisions are overcome. This emphasis on deliberation, therefore, brings into the centre of the discussion of democracy the necessity of transforming class relations, not just social empowerment in general.

These are compelling points, and a welcome addition to my arguments about configurations of social empowerment as the criterion for evaluating institutional designs for transcending capitalism. However, I would modify them in two respects. First, social empowerment is important not only because it helps create the conditions for rational deliberation, but also because it creates conditions for effective bargaining over interests by popular social forces. Hybrid economic structures constitute settings in which the class power of capital necessarily continues to operate. Unless one believes it is possible to create an alternative to

capitalism without living within hybrid economic structures, then economic processes will be to a significant extent the outcome of bargaining, not just rational deliberation. Building institutional settings in which social power has greater autonomy and plays a bigger role is one way of enhancing the bargaining power of non-capitalist social forces.

Second, the problem of heterogeneous interests which potentially interfere with deliberation cannot be restricted to divisions between the polarized classes of capitalism—capital and labour—however important those might be. On the one hand, class structures are much more complex than this, with a variety of forms of what I have termed contradictory class locations, as well as all sorts of non-class economic divisions that infuse conflicting economic interests into democratic processes. On the other hand, interest heterogeneity goes beyond purely economic divisions and includes a wide range of cultural and social divisions. What this means is democratic decision-making will always confront heterogeneous interests, and thus if deliberation is to have any traction, it has to navigate such heterogeneity rather than wait for a world of homogeneous interests.

*Neoliberal socialism?* Marion Fourcade expresses considerable scepticism about the emancipatory potential of the model of socialism elaborated in *Envisioning Real Utopias*. The very title of her commentary—“The socialization of capitalism or the neoliberalization of socialism?”—suggests this. While in the body of her comment she does not actually claim that the model embraces neoliberalism, she does suggest that it is a diluted vision of socialism in part, at least, because of the extent to which it shares the vocabulary of defenders of the market:

[T]his socialism is very different from the dramatic reorganization of social relations envisioned by Marx and Engels. . . . To the purist, this *diluting of socialism* into a range of options going all the way from Wikipedia to bank-friendly corporatism in Europe will feel like an impossible degrading of the whole project, an abandonment of the ultimate utopia, socialism ‘on the cheap’, at a capitalist or anarchist bargain.

. . . . It is remarkable, in particular, that much of the vocabulary mobilized in this gargantuan canvassing of progressive, emancipatory designs bears some strange similarities to the vocabulary used by advocates of markets.

I do not feel that this characterization of the model of socialism proposed in *Envisioning* is accurate. Fourcade is correct that I argue that there is a positive role for markets within a socialist economy, and some of those arguments are the same as standard defences of the market (for example, that markets can help deal with problems of information complexity), but the analysis of the articulation of

markets to other aspects of the model is entirely different from neoliberalism or other defences of capitalist markets. I think the problem here is that Fourcade reduces my model simply to an economy directly governed by social power—power based on voluntary cooperation for collective action. Voluntary cooperation sounds a lot like markets. But this is not the model of a socialist economy that I propose. That model is built around the concept of hybrids which include both state power and economic power.<sup>7</sup> A socialist hybrid, then, consists of institutions and structures in which social power is the dominant form of power. The seven structural configurations of social empowerment are a way of giving more precision to this idea. In four of these configurations (statist socialism, participatory socialism, social democratic statist economic regulation and associational democracy), the state is crucial. Indeed, the first configuration, statist socialism, corresponds to the classic conception of socialism as ownership and control of the means of production by a democratically accountable state. This is hardly consistent with a neoliberal vision of markets.

I also disagree that the model is properly understood as a wishy-washy, watered-down vision of socialism. The fact that the proposed model of socialism is organized around a pluralism of institutional devices for realizing the emancipatory ideals of a democratic egalitarian economy does not imply that if fully realized this would not constitute a ‘dramatic reorganization of social relations.’ Traditional views of socialism envisioned a unitary institutional model for transcending capitalism, typically some variant of what I term statist socialism. Adding complexity to that single configuration does not constitute ‘socialism on the cheap’, but socialism with some prospect of actual realization.

*The problem of the plausibility of emancipatory consequences* Fourcade raises two important forms of scepticism about whether or not the institutional designs surveyed in *Envisioning* will actually accomplish what they hope to accomplish. The first concerns the problem of the transferability of the empirical cases of real utopian institutional innovations I study from one context to another. Fourcade is quite sceptical that these experiments are, in general, transferable:

[F]or all its remarkable breadth in singling out attractive examples, *Envisioning Real Utopias* rarely asks the question of the institutional

<sup>7</sup>There are passages in *Envisioning* which probably contributed to Fourcade’s interpretation of my model, since I use the term ‘socialism’ both to identify an ideal-type concept and the hybrid form within which social power is dominant. Hybrids, in my argument, are the critical arena for building institutions capable of realizing emancipatory aspirations. The ideal-type concept is designed to identify the key causal mechanisms in the analysis; the hybrid concepts identify the structural configurations within which these mechanisms interact and institutional transformations are located.

and cultural conditions of transplanting each progressive scheme from one setting to another. One of the great contributions of the comparative political economy literature . . . is to have made us painfully aware of the fact that institutional blueprints do not stand on their own, but always in relation to a whole institutional ecology—in other words, a complex system of ‘institutional complementarities’ that feed into one another across domains, from the structure of the education system to job training policies, to the financing of corporations to fertility patterns.

If the constraints of institutional complementarities within socio-economic systems are extremely strong, then it could indeed be the case that institutional innovations in one place would have only marginal relevance to other places. I do not believe, however, that this is generally the case. Socio-economic systems are better thought of as loosely coupled systems with quasi-modular elements than as organic systems with a tight integration of parts. This is why, for example, participatory budgeting, which initially developed under very special historical conditions in Porto Alegre, Brazil, could be copied and adapted in one form or another in over 1000 cities. Some of these have been complete failures, others successful, and of course it is important to do research which tries to explain such variation.<sup>8</sup> The key point here is that the institutional *principles* of participatory budgeting as a way of realizing democratic egalitarian ideals can be deployed in a variety of different concrete institutional designs produced through a process of democratic-experimentalism. Studying the process of democratic experimentalism and adaptation is of course important, but it does not pre-empt the investigation of the institutional principles embedded in successful, exemplary cases. These provide the raw materials for diffusion and experimentation.

Fourcade’s second source of scepticism concerns the lack of attention in the discussion of real utopian institutional designs to macro-economic, system-level problems, especially those connected to finance:

While Wright’s discussion of interstitial schemes like fair trade campaigns is especially rich with examples, it is quite remarkable that—as we are reeling from an economic crisis of epic proportions—the much more consequential questions of macroeconomic organization or financial regulation remain either peripheral, or are dealt with in a regrettably abstract way. There is a good reason for this: those aspects of modern capitalism that are most likely to affect people’s lives

<sup>8</sup>A number of recent studies are doing just this. For a review of this literature, see Archon Fung (forthcoming), ‘Reinventing Democracy in Latin America’, *Perspectives in Politics*.

through these channels are especially difficult to align with emancipatory goals precisely because their highly technical nature makes them particularly vulnerable to expert monopolies I am thinking here, quite specifically, about everything having to do with money: international capital movements, monetary policies, credit rating systems and complex financial instruments.

Here Fourcade has identified a real lacuna in my exploration of real utopias. I provide almost no discussion of institutions capable of advancing emancipatory goals at the macro-system level. In addition to the problem of finance, this would include such things as system-level environmental issues, especially global warming, international migration, global inequalities and global justice and international security. All of these are difficult and important issues, and all pose serious challenges to the idea of real utopias rooted in democratic egalitarian ideals of human emancipation. Any comprehensive transcendence of capitalism has to contend with these issues.

Fourcade is correct that financial systems and other macro-system-level issues cannot plausibly be dealt with through institutions within which the central organizing principle is participatory democracy (although even for these issues it may be possible for there to be some participatory democratic aspects to the institutional design). She is incorrect, however, that the model of socialism I propose implies that all issues must be subsumed under the mechanisms of participatory politics. At least two of the seven configurations of social empowerment are entirely consistent with centralized forms of public administration and regulation: statist socialism and social democratic statist economic regulation.<sup>9</sup> In the book my discussion of these two configurations was extremely limited, mostly because I felt that they were much more familiar than the other configurations of social empowerment. My main concern was with the problem of how within these configurations the exercise of state power could be subordinated to social power, since each of these configurations has historically been vulnerable to failures of democratic accountability: statist socialism turned into authoritarian socialism, and social democratic statist regulation often slides into capitalist statist economic regulation. Nevertheless, these are the configurations in which real utopian forms of regulation of finance, the environment and other system-level problems need to be elaborated.

It could turn out, of course, that no institutional solutions to macro-system-level dynamics are possible that are consistent with democratic egalitarian aspirations and a socialist hybrid. It could be that the only

<sup>9</sup>A third configuration, associational democracy, may also be compatible with centralized regulation in so far as peak bargaining forms of corporatism can be used to formulate the regulations that are then executed through centralized administration.

institutionally stable possibilities for a coherent system of finance are either based on forms of dominant capitalist empowerment or on forms of statist empowerment unaccountable to democratically organized social forces. But I know of no compelling ‘impossibility theorem’ for constructing socialist institutions for financial regulation, so this remains an important arena for future work.

## 2. Transformation

### *The framework*

The model of socialism rooted in social power and the seven configurations of social empowerment provides a framework for exploring institutional designs embodying democratic egalitarian values within a socialist hybrid, but this leaves open the problem of how to move from the current configurations of power to these alternatives. This is the task of a theory of transformation.

A fully developed theory of transformation has four main components: (a) a theory of *social reproduction* which elaborates the obstacles to social transformation; (b) a theory of *contradictions*, which explores the limits, gaps and inconsistencies in the processes of social reproduction which open up possibilities for transformation; (c) a theory of the *trajectory of unintended social change*, which specifies the likely ways that those obstacles and possibilities will change in the future and (d) a theory of *strategies of transformation*, which explores answers to the question ‘what is to be done?’ given the account of reproduction, contradictions and trajectories.

In *Envisioning Real Utopias* I mostly focus on the fourth of these. Anti-capitalist struggles have generally embodied three different strategic logics, which I refer to as *ruptural*, *interstitial* and *symbiotic*:

- *Ruptural transformations* envision creating new institutions of social empowerment through a sharp break with existing institutions and social structures in which existing institutions are destroyed and new ones built in a fairly rapid way. Smash first, build second. A revolutionary scenario for the transition to socialism is the iconic version of this.
- *Interstitial transformations* seek to build new forms of social empowerment in the niches and margins of capitalist society, often where they do not seem to pose any immediate threat to dominant classes and elites. The central idea is to get on with the business of building an alternative world in the here and now. If ruptural strategies advocate smashing the state, interstitial strategies mostly ignore the state. This kind of strategic reasoning is associated with certain strands of anarchism.

- *Symbiotic transformations* involve strategies in which extending and deepening the institutional forms of popular social empowerment simultaneously helps solve certain practical problems faced by dominant classes and elites. This involves using the state to foster collaboration with the dominant class and elites. Such strategies are characteristic of left-wing social democracy.

Struggle is a constituent aspect of all three strategic logics. Even though symbiotic strategies seek collaboration between popular social forces and dominant classes, the very possibility of such collaboration often depends on confrontations which block certain kinds of preferred unilateral strategies of elites. Right-wing political forces may have to be defeated politically in order for the conditions for positive class compromise to be created. Interstitial strategies also often have to defend the spaces needed for socially empowered institutions to be created from below, and at times political struggles may be needed to create the legal environment for interstitial initiatives.

While in different times and places one or another of these strategic logics may have some kind of primacy, under conditions of complex, developed capitalist economies, a system-level ruptural strategy is implausible as a way of ushering in a democratic egalitarian alternative to capitalism. The degree of economic disruption that is likely to accompany a system-level rupture would make it extremely unlikely that the process could be sustained long enough to weather the ‘transition trough’ through democratic means, and if anti-democratic means were adopted, it is unlikely that the transformation would result in democratic egalitarian outcomes. This does not mean that aspects of ruptural strategies are completely off the historical agenda, but it does suggest that the prospects for transcending capitalism will depend mainly upon the possibilities of some combination of interstitial and symbiotic strategies of transformation.

### *Criticisms*

Both Cihan Tuğal and Dylan Riley argue that ruptural strategies must be at the centre of any prospect for meaningfully transforming capitalist societies in a socialist direction.

Tuğal’s core thesis is that while the transformation of capitalism also needs both interstitial and symbiotic strategies, these have little prospect for advancing the prospects of socialist transformations unless they are deeply connected to ruptural strategies. He argues that in the twentieth century, it was the threat of revolution which prompted major social reforms:

... twentieth-century European capitalists and state elites have made most of their concessions to the popular classes *because of threats of revolution* and/or Soviet influence... Symbiosis would not be a

sustainable strategy without the (imagined or real) threat of the ‘worker’s revolution’. Once the mentioned threats were removed around the 1980s, the business and bureaucratic elites have reverted to a market capitalism that closely resembles Marx’s diagnostics.

He further argues that even with this background threat of revolution in the twentieth century, the most ambitious interstitial and symbiotic attempts at transforming capitalism in a socialist direction still had only limited effects. Even extremely successful interstitial initiatives, such as Mondragon, the massive conglomerate of worker-owned cooperatives in the Basque Country, tend eventually to function like capitalist firms. The bold symbiotic strategy of Swedish social democracy to partially socialize capitalist corporations through a share-levy proposal in the 1970s was decisively defeated. The implication, Tuğal writes, is that ‘a social democratic transition to socialism is not necessarily more viable than a revolutionary transition, unless we assume that pro-business sectors will for some reason be apathetic and lethargic enough to ignore a gradual evolution into a society where their interests would be ultimately subordinated—a highly unlikely scenario’. Tuğal concludes that the only way of sustaining transformative interstitial and symbiotic experiments is if they are embedded in an overarching long-term ruptural strategy of what he calls ‘intermittent revolution’.

If anything, Riley is even less sanguine about the prospects of interstitial and symbiotic strategies:

After all, ruptural transformations are the only examples of successful transitions to non-capitalist societies (however authoritarian). In contrast, social democracy and anarchism are, from the perspective of achieving socialism, clear examples of *failure*. . . . In the face of these historical examples, it seems unlikely that a real utopia could ever be established without a transformative strategy that includes, but is not restricted to, a decisive rupture.

Furthermore, Riley suggests, the likely developmental trajectory of capitalism in the twenty-first century may make ruptural strategies more attractive. Under conditions of long-term economic stagnation and declining real wages, large numbers of people may be more willing to accept the disruptions of the ‘transition trough’ that would accompany successful system-level attacks on capitalism and thus be able to embrace, in Riley’s words, ‘the central task of any adequate strategy for achieving socialism: destroying the entrenched political and economic power of the capitalist class’.

It is, of course, possible, that both Tuğal and Riley are correct in their diagnosis that ultimately only a decisive systemic rupture with capitalism can create the conditions in which socialism could become the dominant form of economic



relations. If this is so, the implication is probably that socialism, at least if it is understood as a radically democratic organization of economic relations, will be permanently unachievable. Riley's argument that a sustained period of economic stagnation with declining real wages for workers might make the transition through such a rupture more acceptable is not convincing. Even if, for most people in developed capitalism, insecurity has increased and economic conditions are less favourable than in the past, it is still the case that any serious attempt to decisively overthrow capitalism would provoke a deep and prolonged economic collapse in which life would be immensely more difficult for most people than under the existing institutions. Unless there are good arguments against this prospect—either because the transition through would be much less devastating than this or because the trajectory within capitalism would be catastrophically worse than stagnation—then it seems very unlikely that a rupture with capitalism could be sustained through a democratic process. So, if Tuğal and Riley are correct in their diagnosis that a decisive system-level rupture is needed to go beyond capitalism, then socialism is probably an unachievable alternative to capitalism.

There are reasons, however, to be less certain about this conclusion. To begin with, I do not think that Tuğal is correct that social democratic advances in the twentieth century depended on the threat of anti-capitalist revolution. The biggest gains in social democratic institution-building came in the decades following World War II. This was not a period in which capitalism in the developed countries was threatened by revolutionary overthrow. To be sure, social democratic transformations depended on mobilizations, struggles and the threat of disruption to capital accumulation, but the threat of disruption is not the same as the threat of revolution. In most times and places when there did seem to be a threat of anti-capitalist revolution, this was more likely to provoke something like fascism than social democratic reformism.

I also do not think Riley is correct in his views about the relative historical success of ruptural transformations compared with social democratic reformism. There are two points here. First, the fact that anti-capitalist ruptural strategies have successfully overthrown capitalism and created forms of authoritarian statism is largely irrelevant to the question of the potential role of ruptural strategies in creating democratic egalitarian socialism. Ruptural strategies are rooted in the formula 'destroy first, build second'. The whole issue is what is buildable under this scenario. The historical record does not suggest that democratic egalitarian structures of social empowerment can be robustly constructed in the aftermath of system ruptures.

Second, Riley, and Tuğal as well, underestimate the extent to which both symbiotic transformations and interstitial transformations have significantly interjected socialist elements within capitalism. Both Riley and Tuğal point out that

when Swedish social democracy directly challenged private property through the share-levy plan, the Swedish bourgeoisie successfully mobilized to block this threat to their long-term control over investments. What this shows is that Sweden remains capitalist, and the capitalist class was able to defend its core basis of power. But in many other respects, private property rights have been significantly eroded in Sweden and other instances of social democratic capitalism. One important indicator is the capacity of the state to appropriate the social surplus and allocate it to public purposes: taxation in Sweden is over 45% of GDP. Other indicators include worker rights of representation on boards of directors, regulations of health and safety in the workplace and regulations for environmental protection. All of these remove certain rights from the package of 'private' ownership of the means of production—capitalists are no longer able to do certain things with their capital that they previously were able to do. I agree with Riley that none of these changes constitute 'achieving socialism' in the sense of displacing capitalism as the dominant element in the economic hybrid, but they all constitute significant advances in social power within the various statist configurations of social empowerment.

Riley and Tuğal are also sceptical that interstitial transformations can significantly erode capitalist dominance, and both use the fact that Mondragon functions like a capitalist firm to support this view. Again, Mondragon is a hybrid form, and the capitalist element is important, so of course in some ways it behaves like a capitalist firm. But it also continues to constitute a real alternative to the prevailing capitalist model. Its internal governance structure remains highly democratic, and the general assembly of worker-owners has on occasion voted against the recommendations of management. A recent telling example was the decision by the general assembly, opposed by management, to allow the thousands of employees of a Spanish grocery store chain that had been purchased by Eroski, the Mondragon worker-owned grocery store, to become full owner-members of Eroski.

It is difficult, living in the USA in the second decade of the twenty-first century, to imagine a process of long-term erosion of economic power of capital through interstitial and symbiotic strategies. But it is even more difficult to construct a plausible scenario of a frontal attack on capital resulting in a decisive rupture that breaks the dominance of capitalist class power and ushers in a democratic egalitarian social order. For better or worse, therefore, if we wish to contribute to making such a world possible, the best we can probably do is figure out new interstitial and symbiotic initiatives that build alternatives and solve practical problems, and struggle politically to open up the spaces for these initiatives to be realized.