

Elisa Reis , Foreword by Amartya Sen

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[More Information](#)

Introduction: The Future is in Our Hands

Many people these days have lost hope in the future and believe that the next generation will be worse off. Not only do they see difficulties mounting in daily life, but they no longer believe in the ideologies that offered promises for the future and inspired social and political movements in the twentieth century. Communism has lost its soul in the Gulag and nowhere now, not even in China, does it keep alive the dream of a radically different, much better society. Libertarian ideas have resurfaced under the “neoliberal” label and have been very influential in the last decades in many countries, until the Great Recession shook many observers’ faith in the free market.

The death of ideologies should be welcomed. It offers a window of opportunity to shed the old dogmas and rethink the way forward. After the devastating contest between communism and freewheeling capitalism, what can we invent? This window of opportunity is also, it seems, the last chance to adjust our thought and action before looming catastrophes erupt in the form of a breakdown of social and ecological systems. This book is animated by a sense of urgency and gravity. Researchers,¹ citizens, change-makers, we all have a responsibility to live up to the challenges of our times and find solutions before the accumulated problems turn into vital crises.

This introductory chapter summarizes the key messages and main narrative of the book. It clarifies our conception of social progress and it exposes a few of the common errors in the conventional wisdom of our times that must be dispelled to clear the way for better thinking. The hurried reader will get the key takeaways by reading it.

¹ See IPSP (2018c, chapter 22) for an overview of how policy-making has been influenced by ideas coming from social sciences.

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

2 INTRODUCTION

WHAT IS SOCIAL PROGRESS?

This book is written by researchers but it goes beyond presenting facts and science. It takes positions in the debate about the direction that policies and change-makers should take, because under some basic assumptions of what a good society would be, there are some clear dos and don'ts, and some promising ideas to explore and experiment with.

The core idea of a good society starts from the idea that every human being is entitled to full dignity, irrespective of gender, race, religion, education, talent, and productive abilities. This ideal of dignity includes the possibility to participate in social life on an equal footing with others and to be in control of the important dimensions of one's life. While equal dignity is sometimes viewed as a very minimal notion, we follow the United Nations Agenda 2030 and its associated Sustainable Development Goals (SDGs) and understand dignity as a powerful word with substantial practical implications. In fact, whenever structural inequalities in social relations appear, dignity is endangered. If you observe society around you and ask yourself "Does everyone really have equal dignity?" you will see repeated instances of unequal dignity following from gross or subtle inequalities in status, resources, and power.

Since the effort to build a better society should be wide and inclusive, this book does not commit to a precise theory of social justice, and it retains values and principles that can be accommodated in most cultures of the world. One must admit, however, that the ideal of equal dignity clashes with certain conceptions that give genders, ethnic groups, or people with different sexual orientation a different level of inclusion and dignity. If you believe that the role of women is to serve their husbands and raise their children, that there is a natural hierarchy of races, or that homosexuals are inferior or repugnant, this book will clash with your views. If you believe that equal dignity is fine but that every community should keep its purity and avoid migrations and miscegenation, this book will also

Elisa Reis, Foreword by Amartya Sen

Excerpt

[More Information](#)

INTRODUCTION 3

go against your views because it places the dignity and flourishing of the person above the preservation of groups or nations – while trying to avoid narrow forms of individualism.

The key values and principles underlying this book include wellbeing and freedom, security and solidarity, as well as pluralism and toleration, distributive justice and equity, environmental preservation, transparency, and democracy.² Any project that would severely crush one of these values and principles is considered objectionable here.

FALSE IDEAS AND COMMON MISTAKES

It is not expected that every reader will be fully convinced by the arguments of this book, but hopefully every reader should feel compelled to shed a few elements of conventional wisdom that imprison people's minds nowadays and have become serious obstacles on the road to a better society.

The first false idea that must be confronted was popularized by Margaret Thatcher, who vigorously promoted a free-market agenda: "There is no alternative" (TINA). It was also disseminated through Fukuyama's (1992) "End-of-History" thesis, according to which liberal democracy and the capitalist system were the final touch to human achievements. It is ironic that this idea was pushed by Thatcher, a policy-maker who made important strategic policy moves with long-term transformational consequences. Actually, there are many possibilities in front of us for the future, even without innovating or experimenting with new ideas. There are many variants of capitalism already in place, and some are much better than others at promoting human flourishing. The TINA thesis is deceptively attractive because it builds on the blatant failure of the socialist alternatives that have been tried in the former USSR, in China, and in former Yugoslavia. It indeed contains a grain of truth: there is

² A detailed discussion of values and principles of social progress is provided in IPSP (2018a, chapter 2).

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

4 INTRODUCTION

no alternative that does not include a central role for the market as an economic mechanism (with proper safeguards). The big mistake, though, is to believe that keeping a role for market transactions means adopting unfettered capitalism. In fact, as many thinkers have argued over the generations, the market *is* compatible with the idea that people should dominate things rather than the other way around. Labor can hire capital, rather than be hired by and serve capital. In this sense, this book even argues that a market economy need not be part of a capitalist society. Thus, many more alternatives than the current variants of capitalism become possible. In fact, they are already experimented with here and there, and can be scaled up. In summary, two false ideas, not just one, have been identified here: (1) that there is no alternative to the current system – in fact there is not even *a* current system, but many variants around the world; (2) that the market economy and capitalism are the same thing and that endorsing the former implies accepting the latter – in fact the market is needed but capitalism can be transcended.

A related false, pernicious idea that is especially widespread in the media is that traditional social causes have been replaced by more complex and more elusive contestations of the status quo, relating to cultural and identity problems or to environmental crises and no longer generating massive social and political conflicts. This mistake is due to the confusion between the decline of particular movements and the seeming disappearance of the underlying social problems, and is influenced by the idea that if there is no alternative, then all the movements pushing for alternatives have become irrelevant and can simply be ignored. So, let this be clear once and for all: the task of liberating women, workers, and various ethnic groups from their secular state of subordination is not finished. The task of bringing disabled people to full inclusion is also unfinished. So is the integration of migrants with a cultural background that differs from that of their new community. These traditional causes remain essential and as urgent as ever. It is true that the plight of LGBTQI people has recently risen up in our collective conscience and deserves to

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

INTRODUCTION 5

be added to this list, and it is definitely true that the devastation of ecosystems and other species has reached a scale that calls for urgent action. The recent rise of the #MeToo movement against the sexual harassment of women has led to a critical moment of epiphany across many cultures and continents. But, all in all, the complacency of pundits about traditional social suffering is unconscionable.

Another false but widespread idea is that salvation comes from politics and from changing government policy. Most people think that there is either too much or too little government intervention in the economy and society, and that the main solution to our current predicaments consists in changing that. What this book argues is that, in the long run, societal changes are initiated by much deeper layers of society, through transformations of methods and conventions, norms and habits, and governmental policy often comes later to stabilize and coordinate the new normal. Therefore, while the political game remains important, it is by no means the only way to hope for change and to work for it. One does not have to become a politician or a political activist to be a change-maker.

There are many other false ideas that will be attacked in this book – for instance, that technological progress follows a deterministic path that we cannot influence, that globalization implies convergence of economies and clashes of civilizations, or that social progress requires economic growth accompanied by environmental destruction. We will deal with them in due course in the following chapters.

NARRATIVE

In a nutshell, here is the story that this book tells. The advent of the Anthropocene, i.e. a new geological epoch where the main driver of change for the planet is human activity,³ puts humanity

³ The Anthropocene is still a debated idea, and some would suggest it started as early as the beginning of agriculture more than 10,000 years ago, or as recently as the first nuclear explosion during the Second World War. But the term very well captures the idea that humanity now has a great responsibility.

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

6 INTRODUCTION

in the driving seat of the planet, and we collectively become aware that if we continue like this we will go over a cliff because several key tensions will burst out into cataclysms. Inequalities and lack of social cohesion are becoming unbearable across continents and within countries, generating conflicts, migrations, social unrest, and political instability; environmental degradation is reaching planetary scale, with a changing and more volatile climate and the serious risk of a new mass extinction.

The Western idea that the liberal democratic capitalist institutions have reached their final form and represent the ultimate goal (the “end of history”) for all nations of the world must be firmly rejected. Achievements in social policies and democratic institutions can be swept away in one election’s stroke and replaced with authoritarian and socially and environmentally destructive policies. History continues, and we need to explore new institutions to guarantee social and environmental sustainability. There are interesting ideas and innovations on all continents that can lead to new forms of popular participation, greater harmony with nature, or more effective management of conflicts. All over the world, a great diversity of economic, political, and social developments show the power of imagination and a striking range of ideas that promise a better society.

The challenge for our time is to find ways to simultaneously achieve *equity* (leaving no one behind, both inter- and intranationally, creating an inclusive society), *freedom* (economic and political, including the rule of law, human rights, and extensive democratic rights), and *environmental sustainability* (preserving the ecosystem not only for the future generations of human beings but also for its own sake, if we want to respect all forms of life). Freedom is understood here in a comprehensive way, which includes not only human rights and individual integrity, but also the right to participate in collective decisions in a democratic way, enjoying rights of free speech and association, and receiving adequate training and knowledge for full participation. Freedom and democracy are therefore inseparable and should not be opposed. Democracy can suppress

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

INTRODUCTION 7

freedom only when democratic institutions are ill conceived and badly implemented.

Globalization and technological innovation are key drivers of socio-economic transformations. Experts (not always decision-makers, unfortunately) know the virtues and dangers of the former, but there is much uncertainty about how the latter will affect quality of life and social inequalities. An important point is that globalization and technological innovation are not natural processes that societies must either endure or stop. Quite to the contrary, the particular ways in which globalization and innovation unfold can be shaped by policies and it is important to steer them in the direction of social inclusion. Therefore, not only should we make sure to support those who lose from the globalized economy and technological disruptions and ease their adaptation and transition to the new opportunities offered by these developments, but we can work to make the changes themselves occur in a way that generates less loss and more gain for all.

Another important factor of change is the cultural shift that expands the “circle of respect and dignity,” i.e. the set of people, lifestyles, and living beings that are treated with due respect and dignity (*equal* dignity in the case of all human beings, including full participation in all relevant decision bodies; for non-human living beings, respect and dignity are harder to put under the equality ideal, but remain nevertheless relevant values). This seems a universal and irreversible trend, despite many setbacks and resistances. This trend, which includes an expansion in the endorsement of democratic values, is a very promising element of the better society that must now be imagined.

How can one imagine a better set of institutions and policies? It would be dramatically insufficient to envision social progress in terms of seizing the central political power in order to implement social and economic policies from above. Instead, one must address the inequalities in resources, but also and most importantly of power and status, that pervade all institutions, organizations, and groups,

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

8 INTRODUCTION

from the family to the transnational corporation, from the local community to the regional group of governments, from the local NGO to the political party. Reforming all these institutions and organizations in the economy, in politics, and in social life will not happen simply by making more “progressive” parties come to government, but will involve grassroots initiatives and changes in the governance of many organizations, in particular and crucially within the key economic institutions at all levels, from small businesses to international organizations.

The toolkit that can help us conceive a better society includes the two key economic institutions that structure production and finance: the market and the corporation. They generate many of the current problems (in particular through externalities⁴ and inequalities), but, well managed, they are essential to any conceivable successful society, because the market is a cornerstone of freedom and the corporation is a key collaborative institution filling the gaps of the market. The market must be handled in a way that curbs its many failures, and the corporation must be transformed into a real association of producers bringing different assets (capital, labor) together and sharing power, resources, and status in a much more horizontal way than is common in the “capitalist” economy (and including, in its governance, other stakeholders such as local communities and suppliers). Sadly, even in the allegedly most advanced societies, the worker has yet to acquire full status and full democratic rights in the “circle of respect and dignity,” and the traditional form of the private company is completely anachronistic in the age of respect and democracy. Many entrepreneurs and business leaders do understand this, and the movement for “corporate liberation” is already on its way.⁵ Reforming the purpose of the corporation to

⁴ Externalities are side-effects of economic activities (such as pollution) for which market transactions do not provide appropriate incentives because those who endure the effects cannot bargain with the emitters.

⁵ Many examples of businesses that have transformed their governance to unleash their employees are provided in Carney and Getz (2016).

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

INTRODUCTION 9

enlarge its social function beyond the enrichment of shareholders has to happen jointly with the reform of its governance. The productive firms of various sorts (corporations, cooperatives, social enterprises, benefit corporations, sharing platforms ...) can jointly evolve and occupy different niches in the economy and the labor market, under the requirement that all of them respect the full dignity, including democratic rights, of their members, and define their social mission accordingly.

This understanding of social mechanisms and of the necessity to rely on the market and the corporation makes it possible to revisit the role of the state and to imagine a new form of welfare state that is more adapted to the globalized economy of the twenty-first century. The social-democratic welfare state is a serious option to reconsider. It is a proven formula that has shown its ability to work in open economies and foster efficient management of resources, while preserving a high degree of social solidarity. Indeed, it uses the discipline of the open market to keep productivity and profitability at a high level, it promotes efficient production by investing heavily in human capital through extensive schooling and health services, and it incentivizes the diffusion of modern technology by compressing wage inequalities between professions and between industries, forcing all businesses to be productive enough to pay good wages. At the same time, citizens benefit from the empowerment provided by education, social protection, high union coverage, and an efficient set of central institutions of social services and collective bargaining. By protecting people, not jobs, this formula combines the flexibility of the market with the economic security that households need. And the welfare system receives strong support from the electorate due to its broad coverage of the population by its universal services.

However, the social-democratic welfare state suffers from limitations which may have reduced its ability to be the leading formula for the twenty-first century. First, it requires a strongly centralized form of bargaining which does not fit well with the decentralized traditions of many countries. Second, it involves a

Elisa Reis , Foreword by Amartya Sen

Excerpt

[More Information](#)

TO INTRODUCTION

strong sense of responsibility and solidarity on behalf of the negotiating parties, an “ethos of cooperation” at the level of society which may also be hard to export to countries with more diverse populations. Centralized bargaining and cooperation may also be unfamiliar to foreign transnational firms investing in the country. Third, it empowers individual citizens to a limited extent only, because it protects them and therefore offers them better bargaining positions, but at the local level they do not necessarily have much voice. In systemic terms, the social-democratic recipe is a “grand bargain” between capital and labor but it does not really address the structural imbalance in the capitalist economy.

A deeper form of social progress involves a more direct form of empowerment, or, more accurately, emancipation, which involves rights to control one’s life and to participate, with due knowledge and information, in the decisions that affect the individual’s life in all groups, associations, communities, and organizations of which one is a member. This emancipation ideal requires a welfare state that not only accompanies the formation of human capital and the determination of wages, but also seeks to enforce a more equitable power balance in all organizations at all levels.

This new type of welfare state will therefore be less about transferring resources and more about granting rights to power, status, and knowledge in all institutions in which people are involved. This includes the status and rights of full member in the household and civil society associations, of full associate to the production company, of full citizen in participatory processes in local, national, and supra-national politics. Interestingly, this approach is already promoted in developing countries by many actors, which shows it is not suitable only at a very advanced stage of development, but can actually help accelerate development, especially when the institutions are not ripe for the complex commitment mechanism underlying the social-democratic bargain.⁶ By reorganizing decision processes to empower

⁶ See the presentation of the philosophy of action of the Self-Employed Women Association (India) in Chapter 5.