



Overthrowing the Dictatorship of No Alternatives

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The world remains restless under the yoke of a dictatorship of no alternatives. The last great moment of institutional and ideological refoundation in the rich North Atlantic countries was the institutionally conservative social democracy presaged before the Second World War and fully developed in those countries after the war. Its counterpart in the United States was Franklin Roosevelt's New Deal. This refoundation offered to regulate the economy more intensively, to attenuate inequalities through progressive taxation and redistributive social spending, and to manage the economy countercyclically by fiscal and monetary policy.

In its most elaborate form, in Western Europe, it protected insiders against outsiders in the labor market (defending the stable labor force headquartered in the capital-intensive parts of the production system against the rest of the labor force), in the product markets (defending small business against big business), and in the market for corporate control (defending incumbents against challengers). It expected national governments to broker deals, known as social compacts or incomes policies, around the distribution of the costs and benefits of macroeconomic policy and, by so doing, avoid destructive distributive conflict.

Social democracy has increasingly been forced to give up these two sets of practices—the protection of insiders to the detriment of outsiders and the social compacts—as both costly and unjust. Above all, it has been forced to give them up because conventional industry, or Fordist mass production, the core base of historical social democracy, has been replaced by today’s most advanced practice of production, the knowledge economy. This new vanguard is both multisectoral, because it exists in every part of the production system, and insular, because it excludes most workers and businesses.

Under the pressure of these changes and criticisms, social democracy has retreated, on its European home ground, to its last line of defense: the preservation of a high level of investment in people and their capabilities, paradoxically financed by the indirect and regressive taxation of consumption through the comprehensive flat-rate value-added tax or some functional equivalent to it.

The people who led the attack on historical social democracy came to be known as the neoliberals. The major neoliberal thinkers developed their criticisms and proposals into a generalized opposition to governmental activism. The chastened and diminished form of social democracy that resulted from the neoliberal attacks on it, as well as from the loss of its economic and social base in industrial mass production—but that has remained committed to the humanization of the market order through some measure of corrective, compensatory redistribution—is often labeled social liberalism. This social liberalism has a better claim to be regarded as the prevailing orthodoxy than the neoliberal teaching that helped produce it.

Historical social democracy, neoliberalism, and social liberalism are bound together by the institutional assumptions that they share: they accept the same basic structure of the market order and of democratic politics. This structure has proved incapable of solving, or even addressing, the central problems of contemporary societies: their failure to maintain socially inclusive economic growth and to moderate tremendous inequalities rooted in the hierarchical segmentation of the production system, to regenerate social cohesion in the presence of increasing social and cultural diversity, or to dispense with ruin and war as enabling conditions of change.

In many countries, right-wing populism has stepped into the vacuum, but it has offered only ineffective, nonstructural solutions to structural problems.

In the rest of world, no alternative is on offer, other than what is often labeled authoritarian state capitalism: political autocracy coexisting with savagely unequal market orders. This generalized lack of options, this situation of no exit, is the substance of the dictatorship of no alternatives. We cannot overthrow the dictatorship of no alternatives simply by imagining an alternative to it. But unless we imagine an alternative to the dictatorship of no alternatives, we can have no hope of overthrowing it. And part of imagining such an alternative is to evoke the social agent who might support it.

Redefining the Conservative/Progressive, Right/Left Distinction

In these circumstances and given these aspirations, we must reinterpret the meaning of the difference between Right and Left, between conservatives and progressives. Two distinctions are paramount: the first concerns the method or practice of politics; the second, the goal.

Conservatives pursue their aims within the limits of the established institutional arrangements. Progressives believe that significant change must be structural: innovation in the institutions and in the ideological assumptions on which they depend. But they recognize that real structural change is almost always fragmentary. The wholesale replacement of one institutional regime by another remains the largely fantastical limiting case.

Conservatives think that it is natural for human life to be small. Only an elite of innovators and disruptors is exempt from this condemnation. The faith and hope of progressives is that we can ascend to a larger life, with stronger capabilities, wider scope, and higher intensity, provided that we ascend together.

By these two criteria, most of those who regard themselves as progressives today are conservatives. Among them are the defenders of institutionally conservative social democracy in either

its full-blown original expression or in the flexible, liberalized, eviscerated form resulting from its collision with neoliberalism.

Classical European social theory and its culmination in Marx's theory of society and history offered a way of thinking about structure and structural change. But its revolutionary insights were compromised by its necessitarian assumptions—the illusions of false necessity: that there is a closed list of regimes (which Marx called modes of production); that each of them is an indivisible system, with the result that politics must be either the revolutionary substitution of one such system by another or the reformist management of a system; and that historical laws govern the foreordained succession of these regimes, with the implication that history has a project in store for us.

On the other hand, American-style social science disposes of these illusions only by suppressing structural vision. Each social science suppresses it in its own way. The retrospective rationalization or normalization of social life has been the central theme of the social sciences; their animating spirit is what in the history of philosophy we know as right-wing Hegelianism.

The overthrow of the dictatorship of no alternatives requires a different way of thinking about structural change and structural alternatives, especially in the technical, specialized disciplines, beginning with those closest to power—economics and law—a way of thinking that affirms the primacy of structural vision but rejects the illusions of false necessity.

The Haven and the Storm

Institutionally conservative social democracy or its diminished successor, social liberalism, the last major institutional and ideological settlement in the rich North Atlantic countries, wants to secure a haven of capability-ensuring endowments and safeguards against public and private oppression. But the value of this haven depends, in large part, on the storm of innovation and change raging around it. The point of the haven is to enable the individual worker and citizen to thrive in the midst of change and strife, like the child who is told by his parents: you have an unconditional place in our love; now go out and raise a storm in the world.

Institutionally conservative social democracy has much to say about the haven, but nothing to say about the storm. The storm does not occur spontaneously; it needs to be arranged.

The nature and preconditions of this storm, its meaning for the institutional arrangements of the market economy, of democratic politics, and of independent civil society, and its consequences for the haven of safeguards and entitlements that social democracy has struggled to develop and secure is one way to define what is at stake in overthrowing and replacing the dictatorship of no alternatives.

The heart of a progressive position today lies in the reconstruction of the market order. That reconstruction, rather than the deepening of democracy, is the normal place to begin: no country reforms its politics only later to decide what to do with it. It reforms its politics when it needs to, in the midst of struggle over a shift in its economic and social direction.

In a progressive political economy today, the paramount task is to move from a knowledge economy for the few to a knowledge economy for the many. In each sector of production, today's economic vanguard, the insular knowledge economy, excludes the vast majority of businesses and workers. This insularity helps account for both economic stagnation (resulting from the denial to the majority of access to the most advanced productive practice) and the aggravation of economic inequality (anchored in the hierarchical segmentation of the production system).

There thus arises the central dilemma of economic growth or development around the world now: the short cut to growth offered by conventional industry has stopped working. The alternative of a socially inclusive knowledge economy, however, remains beyond reach.

Imagine three stages in the deepening and spread of such a knowledge economy for the many. In the first stage, the focus falls on the uplift of the small and medium-sized firms of the backward economy, on the transformation of self-employed service providers into technologically equipped artisans, and on the discovery and dissemination of the most fertile productive practice—a twenty-first-century equivalent to nineteenth-century agricultural

extension. In a second stage, a distinctive institutional arrangement begins to emerge out of the effort at uplift: a form of partnership or strategic coordination between firms or individual economic agents and national or local governments that is decentralized, pluralistic, participatory, and experimental, and that advances in tandem with cooperative competition among the firms or agents. In a third, speculative stage, far into the future, the productive assets of society would be vested in social funds controlled neither by the government nor by private investors. These funds would run a rotating capital auction, auctioning off the productive assets of society, for limited times, to whomever could offer the funds that held them the highest rate of return. We might describe such a regime as “capitalism without capitalists.” Its point would be to ensure that finance serves the productive agenda of society rather than serving itself and that its most important responsibility, the making of new assets in new ways, not remain, as it is today, no more than a tiny part of the business of the capital markets.

This idea might be dismissed as utopian by some and as familiar by others. In a competitive capital market, these latter may claim, such an ongoing auction already takes place under a different name. The role of the conception of the ongoing capital auction in this argument, however, is to point to a debate not about more or less market order but about which market order.

A Progressive Political Economy: Labor and Capital

A socially inclusive dynamic of innovation, manifest in a deepened and disseminated knowledge economy, requires an upward tilt to the returns to labor. It cannot be reconciled with the cheapening of labor and with radical job insecurity. A common tenet of practical economics is that the real wage cannot rise sustainably above the growth of productivity. A legislated rise in the nominal wage is indeed likely to be undone by its inflationary consequences. But when we compare economies at comparable levels of development, and control for differences in factor endowments, we find striking disparities in the participation of labor in national income. The primary sources of such disparities are the institutional and legal differences that strengthen or weaken the power and position of labor vis-à-vis capital.

More is at stake than the wage. Marx and Keynes believed that we were about to overcome scarcity and that overcoming it would allow us to cast off the hateful burden of work. They were mistaken on both counts. The overcoming of scarcity is not at hand, but we can hope to win freedom in the economy, not just from the economy.

We must begin by distinguishing the organized and the disorganized parts of the labor market. In the world today, the disorganized part is predominant: the informal economy in the major developing countries and precarious employment in the formal economy in both rich and developing countries.

For the organized part, the remedy is unionization. But which kind would stand a chance of rolling back the dramatic shrinkage of the unions, which now survive mainly in the public sector? Best would be a hybrid regime, combining the principle of automatic unionization of all workers, taken from the corporatist labor-law regimes of Latin America, with the principle of independence of the unions from the state, characterizing the contractualist, collective-bargaining regimes predominant in the rich countries. It may be too late, however, to use such an adjusted version of a twentieth-century solution to solve a twenty-first-century problem.

In dealing with the disorganized—informal or precarious—part of the labor market, we have no alternative but to innovate. That means rejecting the two narratives about labor that now prevail around the world: the syndicalist labor discourse that wants to decree the illegality of the new practices of production, serving the interests of the organized minority of workers, to the detriment of the interests of the disorganized majority, and the neoliberal discourse that, under the slogan of flexibility, abandons most workers to economic insecurity and cheapens the wage.

In a first stage, the priority must be to develop a new body of legal ideas and rules that can master the reality of an economy that has an insular knowledge economy as its vanguard. A central aim must be to distinguish unavoidable and legitimate economic flexibility from destructive, wage-cheapening economic insecurity.

A sliding scale applies. We should try to organize and represent the precariat with whatever help the new information and

communication technologies can provide. To the extent we fail, we should seek direct legal intervention in the employment relation to reshape the terms of the work contract according to a principle of price neutrality: work performed under precarious employment should be compensated comparably to the similar work undertaken under conditions of stable employment.

In the medium term, the central issue becomes the direction and consequences of technological change. Technology evolves according to the logic that we give it. It lacks an intrinsic logic of evolution. We can think of technology as a channel between our experiments in the mobilization of natural forces to our benefit and our experiments in cooperation at work. Alternatively, we can view it as the mechanical embodiment of formulas or algorithms describing work that we have learned how to repeat; it marks the moveable frontier between the repeatable and the not yet repeatable—the province of the imagination.

Technology will always replace labor. Our interest is to influence its development so that it enhances labor as well as replacing it and turns the machine into a device for empowering the anti-machine with imagination, the human being. Government can begin to work toward this end most narrowly by tax incentives and disincentives. It can also, more directly, take initiatives that sponsor variants of contemporary technologies, such as those grouped under the labels of artificial intelligence, robotics, or additive manufacturing with the potential to enhance labor as well as to replace it. It can reshape these technologies to make them usable by the small and medium-size businesses and by the individual economic agents who remain far from the vanguard of production. Ultimately, no one should be condemned to do work that can be done by a machine.

In the long run, the improvement of the position of labor vis-à-vis capital requires that the higher forms of free labor—self-employment and cooperation—come to prevail over what liberals and socialists alike regarded as the defective and transitional form of free work: economically necessitated wage labor. The problem that nineteenth-century liberals and socialists were unable to solve is how to reconcile those higher forms of free work with the unyielding imperative of economies of scale in a complex, contemporary economy. Solving that problem today requires

innovations in the legal and institutional terms of decentralized access to the resources and opportunities of production.

The market order should not be fastened to a single dogmatic version of itself. It can sometimes extend decentralization by qualifying the absolute and perpetual quality of the control that each of the decentralized economic agents enjoys over the resources at his command. At the end of that road lies the conception of the rotating capital auction that I earlier labeled capitalism without capitalists. At the opposite end of that spectrum is the unified property right of the nineteenth century, vesting all the component powers of property in the absolute owner.

In the history of the major legal traditions of the world, the component powers of property have normally been disaggregated and vested in different tiers of claims of partial claimants on production resources. The absolute, unified property right should continue to have a place as one of the forms, not the sole form, of a decentralized economic experimentalism. Its advantage is to allow the owner to do, at his own risk, something that no one else believes in, without having to overcome the objections of people with power to stop him.

High-Energy Democracy

The counterpart to the democratization of the market order and the development of a knowledge economy for the many is the deepening of democracy. Its desired outcome is the creation of a high-energy democracy. Such a democracy puts collective self-determination in control of the structure of society, weakens the dependence of change on crisis as its enabling condition, and consequently overturns the rule of the living by the dead.

Five sets of institutional innovations define the institutional program of a high-energy democracy. Each set begins in modest, fragmentary initiatives and leads to a consequential change in the character of democratic politics. All have antecedents in debates and experiments already underway around the world. They are not self-motivating: their motivation must come from the struggle to change social and economic direction without having to await war or ruin as conditions of change.

A first set of institutional innovations raises the temperature of politics: the level of organized popular engagement in political life. A premise of conservative political science and statecraft is that politics must be either cold and institutional or hot and extra- or even anti-institutional. At the end of the day, according to this premise, we must choose between Madison and Mussolini. What this premise excludes is an idea central to a progressive politics: that politics can be both institutional and hot—sustaining a high level of civic mobilization and engagement.

The means to this end are rules governing the vote (mandatory rather than optional), electoral regimes (dependent on circumstantial effects), money and politics, and politics and the means of mass communication.

A second set of institutional innovations hastens the pace of politics. It engages the electorate and the representative institutions in the rapid and decisive breaking of impasse between parts of the state. The case for doing so is most squarely put by the American arrangements of divided government, imitated in South and Central America.

Two principles inform these arrangements: a liberal principle of the fragmentation of power in government and a conservative principle of the slowing down of politics. They are connected by intention and design, rather than by practical or logical necessity, to inhibit the transformative uses of democratic politics. The interest of progressives is to affirm the liberal principle and repudiate the conservative one.

We can achieve that goal by several practical devices. For example, under the American or Latin American presidential arrangements, we can allow both the president and the Congress to dissolve an impasse by calling early elections. The early elections would always have to be bilateral: the branch exercising the constitutional prerogative would share the electoral risk.

A third set of institutional innovations seeks to combine a facility for decisive action by the central government with radical devolution in the service of democratic experimentalism. As a country goes down a certain path, it hedges its bets by allowing

parts of itself to diverge and to generate countermodels of the national future. It can do so thanks to institutional innovations developing in two stages. In a first stage, the emphasis falls on cooperative federalism, both vertically among levels of the federation and horizontally among states and among municipalities. Cooperation serves as the front line of experimentalism, relying on arrangements that provide for both divided and concurrent powers within a federal system.

In a second moment, the logic of cooperative federalism gives way to a broader freedom of experimentation. Parts of a country can apply for an exceptional right of wide divergence from the prevailing national policies and arrangements. To prevent abuse, the exercise of such a privilege must be vetted by both the representative branches of government and the courts. It is a common prejudice that federal states can more easily accept such experimental divergence than unitary states. Here, however, unitary states have an advantage: they need not act according to the presumption that all parts of a country must enjoy simultaneously and in equal measure the same prerogative to diverge.

Progressives often want constitutional change to begin with the innovations designed to raise the temperature of democratic politics, especially the rules governing the relation between money and politics. But in many countries, including the United States, reenergizing the relation between central and local government may serve as the most promising point of departure: such a focus enjoys wide appeal across traditional divisions between Right and Left.

A fourth set of innovations has a different character from the previous three. It seeks directly to weaken the contradiction between class society and democratic politics. It establishes in government a power to bring about change that is both structural and localized and therefore not well suited, by reason of legitimacy or capability, to any part of democratic states as they are now organized. The two preferred twentieth-century devices for moderating the conflict between democracy and class society—corporatism in the first half of the century and the constitutional entrenchment of social and economic rights in the second—both failed; rights failed even more decisively than corporatism. Promises of rights in the twentieth-century constitutions remained

largely bereft of institutional or procedural machinery to ensure that they are kept.

Consider the situation of a group that finds itself caught in a circumstance of disadvantage or subjugation from which it is unable to escape by the forms of collective political and economic action that are available to it. Some part of government should be equipped and empowered to come to the rescue of such a group and to begin reconstructing the organizations or practices most directly responsible for its disadvantages. No such possibility now exists.

In the United States, the judicial branch—at least during a certain period—set out on this task through the development of a novel procedural device: complex enforcement or structural injunctions. The judicial reformers addressed relatively peripheral organizations—school systems, prison systems, mental hospitals—until they ran out of power.

We should want a new power in the state—funded, staffed, and legitimated to do, without haphazard and arbitrary limitations, what the judicial architects of these reconstructive procedures attempted within the limitations of their institutional role. The premise of complex enforcement was the existence of a contradiction between a large ideal ascribed to a body of law—most often an anti-subjugation ideal—and some combination of practices and arrangements in a particular part of social life resulting, for example, in schooling or housing segregated by race and therefore (in the United States) also by class. The evil was a clash between a piece of social or economic structure and a transformative commitment mandated by law. The interested parties or agents were collective—segments of classes and races—rather than individual right holders. And the remedy was to invade and reshape some part of the causal background of social life to overcome or attenuate the conflict between social reality and the law contradicting this reality.

The judges were faced with a choice between two principles. According to one principle, an ideal established in law should be enacted whether or not an appropriate institutional agent to enact it is at hand. According to the other principle, it should be enacted only when there exists a suitable institutional agent to enact it. In

the United States it was judges (rather than politicians and administrators) who chose to develop this practice of localized but structural reshaping of social life. They did it because they wanted to. To do it, they arbitrarily split the difference between the two principles that I have just described: they neither allowed institutional propriety to limit transformative initiative nor dismissed it as irrelevant. The result was to involve the state in an activity that was both intellectually incoherent and politically vulnerable.

Weakening the conflict between democracy and class society requires us to develop and generalize this practice of reconstruction that is both localized and structural: further into the causal background of social life (but how far?) to reach the central instruments of production and skilling rather than just the relatively peripheral institutions (such as prisons and mental hospitals) with which American judges concerned themselves. This extended version of the practice would, for example, explore, challenge, and begin to reshape the arrangements, such as zero-hour employment contracts (contracts foreseeing no guaranteed minimum time of remunerated labor), that most directly support a division between the primary and the secondary labor markets in contemporary societies—between a relatively privileged core of stable workers and an expanding periphery of precarious wage earners.

Consequently, we need to establish a part or branch of the state equipped, financed, and legitimated to serve as the agent of such an exercise of governmental power: to undertake change that is both localized and structural. This agent would be elected directly by the people or co-elected by the other parts of government.

The fifth set of institutional innovations is the enrichment of representative democracy by elements of direct or participatory democracy, at the local level through a network of neighborhood associations as a check on municipal government, and at the national level through comprehensive programmatic referenda and plebiscites as yet another way to break impasse in government. Such an appropriation of traits of direct democracy is not to be mistaken for the perennial fantasy of a certain Left: a government of

popular councils dispensing with representative institutions and its cadre of professional politicians.

The Self-Organization of Civil Society outside the State

A disorganized society cannot generate alternatives or act on them. The effort to democratize the market and to deepen democracy must be complemented by the self-organization of civil society outside both the market and the state.

The accumulation of social capital—that is, of associational density and of the collective capabilities that it sustains—is not a trait of national culture beyond the reach of transformative initiative. It is a variable that responds to institutional innovation. Many such innovations relate to the economic or political arrangements that have to do with other parts of this program. A knowledge economy thrives on a heightening of reciprocal trust and discretionary initiative. A high-energy democracy helps raise the level of organized popular engagement in democratic politics. Some such innovations, however, have to do with civil society itself rather than with the economy or the polity. Three deserve emphasis.

(1) Partnership of government and civil society in the provision of public services. The prevailing form of the provision of public services is an administrative Fordism: the offer of standardized, low-quality services (of lower quality than the comparable services that people with money can buy) by the bureaucratic apparatus of the state. The sole apparent alternative seems to be the privatization of public services in favor of profit-driven firms. No developed administrative counterpart to the experimentalist practices of a knowledge economy exists.

The state should provide a floor of universal public services. It should also operate at the ceiling in the development of the most complex and costly public services. But in the broad middle zone between the floor and the ceiling, it should partner with independent civil society acting not for profit: through cooperatives of teachers or medical personnel, for example, in the experimental and competitive provision of public services. The state can help equip, finance, train, and monitor civil society, empowering it to share in the making of its own future. Such a partnership may be

the best way to enhance the quality of public services. It can also be the most effective inducement to the self-organization of civil society.

(2) Social service. Every able-bodied citizen and worker should have two roles: one in the system of production and skilling, the other by sharing in the common responsibility to care for others beyond his own family. In a world of armed states that threaten one another, the first such shared responsibility must be defense. In a republic, the armed forces must never become a mercenary force, part of the nation paid by the other parts to defend them. The army must be the nation in arms.

Men and women exempt from military service (most often because the country needs fewer soldiers in arms than the number subject to conscription), should be called to mandatory social service, according to their area of interest and education. They should render such service in a region of the country and a sector of society other than the region or the sector from which they come. In this social service, they should receive the basic military training that qualifies them to form part of a national reserve force that can be mobilized in a national defense emergency.

(3) Cooperative education. The school should offer yet another stimulus to the formation of social capacity: less because it extols the virtues of cooperation than because it exemplifies them in its practices of teaching and learning. Education is an important part of the haven of capability-assuring endowments. But it also helps arouse the storm of perpetual innovation that the haven makes possible.

Under democracy, the school should not be the tool of either the state or the family. Nor should it serve as a means by which the university can turn the national curriculums of the world into infantile versions of the orthodoxies of the university culture. The school must speak in the voice of the future and recognize in each young person a tongue-tied prophet.

The design and implementation of an education that can form the agents of a self-organizing civil society, of a high energy democracy, and of a knowledge economy for the many cannot be the

achievement of a clique in power and of its technical advisers. Its educational task must be the concern of a national movement of liberation, involving hundreds of schools and thousands of teachers. In a country that is large, unequal, and federal or otherwise decentralized, this movement should develop arrangements that reconcile the local management of the schools with national standards of investment and quality. It should struggle to make the quality of the education that every student receives as independent as possible from the happenstance of where or to whom he is born.

The practices of teaching and learning toward which such a movement works should have the following attributes. First, they must have transformative insight as their goal: to understand anything is to grasp what it can become in the domain of the adjacent possible. The analytic and synthetic capabilities of the imagination supply the basic equipment of such insight. Second, these capabilities cannot be acquired in a vacuum of content. In dealing with content, however, selective depth matters more than encyclopedic coverage.

Third, the ideal of a “classical education” needs to be reaffirmed and reinvented. Its aim was to give the student a second vision, equipping him to see with the eyes of his contemporaries but also with the eyes of another civilization: Remote in time, the civilization of the second eye had a genealogical relation to the culture of the present. That second look came from the Greeks and Romans for Europeans and from the Confucianist classics for the Chinese. The canon must be radically diversified even as the principle is upheld.

Fourth, the social context of education must be cooperative—cooperation among students, among teachers, and among schools—by contrast to the juxtaposition of individualism and authoritarianism in traditional schooling.

Fifth, the approach to received knowledge should be dialectical. Everything must be taught at least twice, from contrasting points of view. Dialectical teaching immunizes the young against the orthodoxies of the university culture. Those orthodoxies result in forced marriages of methods and subject matter. And they thrive on the association of contentious metaphysical presuppositions with

hard empirical findings, which, in the absence of those presuppositions, would take on different meanings.

Technical education would stand on a continuum with this form of general education and no longer be understood as practical training for workers in contrast to symbolic training for elites. Its focus would cease to be the job-specific and machine-specific skills required by the conventional trades. Instead, its work would evolve to develop the higher-order, flexible conceptual and manual skills demanded by the practices and technologies of the knowledge economy.

A Base to Win: The Productivist and Nationalist Counter-Elite and the Subjective Petty Bourgeoisie

Every powerful transformative program builds its own base. It must build that base with the materials that history gives it: the ways in which each class understands its identity and interests. There are always two sets of ways in which a class can understand and defend these interests: one that is institutionally conservative and socially exclusive and another that is institutionally transformative and open to treating as allies the groups that it previously regarded as rivals.

The base that is necessary and possible for the alternative to the dictatorship of no alternatives that I have outlined here has two elements. The first element is a familiar protagonist in modern history. The second element speaks to a new reality.

As part of its constituency, such an agenda must be able to rely on a counter-elite: a dissident faction of the national elites. Such a counter-elite has been the principal author of every “growth miracle” staged in modern history over the last 250 years or so, including, of course, the United States in the period from the founding to the Civil War. Moved by this impulse, it must oppose the rent-seeking part of the national elite. It must associate productivism with nationalism.

The counter-elite must have a plan to achieve a long-term, sustainable rise in productivity as well as an expansion of output (the productivist component). The practices of production that it promotes may not be, when they first emerge, the most efficient: the

ones that do the most with the least. But they will be the ones with the greatest potential to reach the frontier of productivity and to remain at it, inspiring and informing permanent innovation in every part of the production system.

Such a plan will require a reformation of the legal and institutional architecture of the market order, not just a willingness to give greater or less play to the market as it is now understood and organized. And it will need to involve a major part of the labor force in its program of establishing the contemporary version of a socially inclusive productive vanguardism, which is what a knowledge economy for the many would represent today.

The counter-elite must want the national economy to engage the world economy on terms that are useful to this productivist plan and that allow the state to affirm and exercise its sovereignty, through defiance to the interests and ideas advocated by other powers, or that are influential in the world (mental colonialism), as well as through cooperation with foreign states to solve problems that no state can solve alone (the nationalist component). In the name of the marriage of productivism and nationalism it must appeal for support from the working-class majority of the people.

The second part of the necessary and possible base is the national majority in the most important countries of the world. This majority is comprised of people who remain poor—if not absolutely poor, then relatively poor. They do not belong, by objective circumstance, to the small business class. They do, however, strive for modest prosperity and independence.

By default, in the absence of other ways of realizing their aspirations, they seek the characteristic expressions of petty-bourgeois life: a shop, a store, a small farm: archaic, retrograde family business, traditionally financed by family saving and self-exploitation. The spiritual equivalents to this economic horizon have been individualism, materialism, and consumerism, and, in a religious vocabulary, the theology of prosperity. The European Left committed its most fateful mistake in the twentieth century when it demonized such people and drove them into the arms of the fascist Right.

Call this constituency the subjective petty bourgeoisie. It is much larger today than the “industrial proletariat,” the organized, relatively privileged labor force, settled in the capital-intensive parts of the production system, that the left-leaning parties and movements have in the past regarded as their core constituency. The future of most contemporary societies depends on the direction of this subjective petty bourgeoisie and on its alliance with a productivist and nationalist counter-elite.

A task of the progressives is to reach the subjective petty bourgeoisie where it is, to meet it on its own terms, and to offer it practical alternatives to the self-defeating ways in which it has been accustomed to understand and to fulfill its economic and spiritual goals. They must persuade the subjective petty bourgeois to distinguish their larger aims—to achieve modest prosperity and independence and to consolidate a form of life in which they can enhance their experience of effective agency—from the regressive, default form that this aim has usually taken in their imagination: small-scale family business. The subjective petty bourgeois must learn to connect their aspirations with projects that can yield more collective prosperity and freedom, in the direction of a knowledge economy for the many and of a high-energy democracy.

These projects should not appear to the subjective petty bourgeois as remote mirages. To believe, they must be able to touch the wound: to see and to experience the initial steps on the way from here to there. To this end, progressives must find ways to provide down payments on alternatives like those suggested here to the dictatorship of no alternatives. Moreover, such alternatives, and the steps that lead up to them, must be tangibly associated with national development agendas and with the strengthening of the nation-state, given that nation-states remain the shields behind which the peoples of the world can undertake these experiments in remaking society.

Everywhere the small business class, the objective petty bourgeoisie, remains a besieged minority. But the subjective petty bourgeoisie—in countries like India and China, Brazil and Indonesia, Turkey and Nigeria—form the majority of the people. They have escaped abject poverty enough to dream the petty-bourgeois dream. In dreaming that dream, they have continued to

associate its intangible yearnings for self-possession with the conventional bric-a-brac of small business, small land holding, and semi-skilled service provision, for either a wage or a fee.

To what extent and in what sense does this reality extend to the rich North Atlantic countries and to their outposts around the world? The similarities are more than superficial. In the rich societies, the majority finds itself locked out of the most advanced and productive parts of the economy and out of the schools that give access to them. Most people are not employed by large businesses, and many would rather not be. A growing number turn, out of a combination of desperation and hope, to some form of self-employment and petty proprietorship as a lesser evil. In politics, they float between Left and Right. In religion, they cultivate a spirituality that is long on self-help and short on secular narratives of redemption.

Are they not, together with their counterparts in the developing countries, the salt of the earth? Do their existence and resilience not show that the subjective petty bourgeoisie is throughout the world the class with the best claim to represent today—better than Marx's industrial proletariat—the universal interests of humanity?

Yet everything in the history of thought and of politics conspires against them. The dogmatic commitment to the inherited architecture of the market, organized around the unified property right, denies them the legal instruments with which to reconcile the decentralization of economic initiative with the aggregation of resources at scale. Similar ideas and attitudes undermine the institutional and legal basis on which we might give new meaning and force to the old liberal and socialist belief that self-employment and cooperation, rather than wage labor, are the truest expressions of the idea of free work. These same beliefs stand opposed to the only form of political life that would allow the subjective petty bourgeoisie to transform society: a high-energy, experimentalist democracy that no longer requires war and ruin to enable change and that puts an end to the rule of the living by the dead.

In religion, their most common habit has been to adopt the idea of the sharing of the individual in the infinity of God. They have, however, allowed this faith to be twice corrupted: by failure to acknowledge the place of solidarity in self-fashioning and by

idolatrous acquiescence in the sufficiency and finality of the economic and political arrangements that they have been taught to revere.

The subjective petty bourgeoisie cannot become an objective petty bourgeoisie by conforming to the formulas that their reactionary political and ideological friends have urged on them. But if they rid themselves of such guides and reject their doctrines, they will also not become an objective petty bourgeoisie. Instead, they will have moved a little closer to being free men and women. They will have won their greater freedom by rebelling against the dictatorship of no alternatives.

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