

The Politics of Economy

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False Necessity: Anti-Necessitarian Social Theory in the Service of Radical Democracy, Roberto Mangabeira Unger, new ed. (New York: Verso Books, 2002), 809 pp., \$45 cloth, \$27 paper.

In recent years, the contentious debates about the neoliberal project in world economic affairs have shifted their terms. By and large, they no longer concern the success of the program but rather entertain what sequels may now follow it. The neoliberal program demanded that small governments practice fiscal austerity, privatize industry and protect property rights, open their countries to the world market and especially foreign investment, and responsibly service accumulated debts. Promising economic development, but forgetful of the noneconomic premises and foundations of markets and not sufficiently sensitive to local conditions and alternative pathways, orthodox economic reforms have generally failed to deliver the development they promised. The reason the debate has changed, however, is not just internal stress but also external threat: the fact of visible protest on the streets in Seattle and elsewhere has forced a reorientation of thinking. No plausible enterprise in international economics can now avoid the protesters' focus on economic impoverishment, working conditions, environmental damage, and the like. For this reason, neoliberalism is currently devoted to self-reinvention: the maintenance of the old and narrow "Washington Consensus" in a new and broader framework that, according to its promoters, will help guarantee success of

application. In the meantime, however, alternative proposals for the sequel to neoliberalism have emerged. This unexpected republication of *False Necessity*, which originally appeared in 1986, is a bid on Roberto Unger's part to assert that his enterprise appeared too soon, and that, paradoxically, it has never been as relevant as it is right now, since it offered a sequel before the fact to the crisis of neoliberal economics today.

A longtime professor of law at Harvard University, Unger began and remains a scholarly radical who also participates in the domestic politics of Brazil (the country of his birth). But his audience has waxed and waned over time. He achieved early fame for a highly philosophical book, *Knowledge and Politics*, a work that, among other contributions, helped pave the way for the "communitarianism" of recent political theory and sparked a controversial left-wing movement in American law schools known as "critical legal studies." Published at the height of that movement in the mid-1980s, *False Necessity*—merely one volume of a three volume set published under the general title *Politics*—fell from view after a brief period of academic bustle.

There is no way around it: this book is frankly utopian. In the original text, Unger offered a negative and a positive thesis: the "false necessity" of the title and the corrective

of "empowered democracy." The first argument is that nothing in contemporary society—the organization of work, the legal guarantees of property and contract, or the form of constitutional democracy—is foreordained either in its ultimate destination or in the itinerary through which it evolves. Put differently, everything in social life came to be the way it is through a surprising concatenation of force and accident rather than thanks to a "script" provided by a divine plan or any worldly surrogate like human reason or spontaneous order. In the new vision Unger's theory means to provide, a society that initially "may seem the uncontroversial outcome of an irresistible progression" turns out to be "a cut-and-paste job if there ever was one" (p. 210). The first element in Unger's polemic is thus an insistence on the fortuitous origins and surprising fragility of institutional premises now taken for granted. The problem, Unger thinks, is the unconscious assumption that these premises are natural and necessary. Bit by bit, people could renovate the ramshackle structure of the society they have inherited except that they act as if it were an untouchable destiny, the realization of a foreordained design.

In his stress on the fortuitous triumph of contemporary institutions, Unger hopes to remain within the horizon of liberal and democratic capitalism, of course. His point is the institutional variability implied in such phrases as "representative democracy" and "free market." As illustrated by their histories, which Unger reviews in *False Necessity* at length, these concepts are too abstract to have a singular institutional translation and could come in many different and rival forms (see pp. 172–245). Having opened to view the plurality of alternatives that even a democratic, capitalist society could incarnate, Unger then went on in his original text to argue that

"empowered democracy" is the superior model. Put briefly, Unger's alternative promised a compromise, essentially, between free market individualism and solidaristic communitarianism. But it did so in a different way than traditional social democracy. It did not (like many liberal theorists and activists) think of a solidaristic social order as one that would simply allow the market to run free and offset the inequalities it creates through checks in the mail. By envisioning a role for government in individual capacity-building and capital allocation in order to generalize and democratize the virtues—entrepreneurial innovation, vanguardist production, spontaneous creativity, and personal responsibility—underlying capitalistic energy and growth, Unger claimed to "cut through the contrasting dilemmas of self-management and statist models of economic organization" (see pp. 176–95, 480–508, 629). To complement this new kind of free market that would combine individuality with solidarity and competition with cooperation, Unger devised a new system of legal rights (including, most controversially, "destabilization rights" allowing disruption of entrenched hierarchies and oligarchic power) as well as constitutional arrangements requiring popular engagement and favoring quick resolution of impasse (pp. 444–74, 508–39).

Not surprisingly, these arguments proved highly controversial.¹ But how—one might

¹ See, most notably, Robin Lovin and Michael Perry, eds., *Critique and Construction: A Symposium on Roberto Unger's "Politics"* (Cambridge: Cambridge University Press, 1990), with contributions from such figures as John Dunn, Geoffrey Hawthorn, Tony Judt, Richard Rorty, and Cass Sunstein. The most thorough and insightful assessment of Unger's project remains that of Perry Anderson, "Roberto Unger and the Politics of Empowerment," in *A Zone of Engagement* (New York: Verso, 1992).

well ask—do they relate to the contemporary debate about globalization? There is not one word in Unger's otherwise comprehensive text of social theory about international affairs. In this new edition, which represents the extension of a line of thinking begun in Unger's *Democracy Realized: The Progressive Alternative*,² Unger attempts to forge a connection, adding a fascinating preface of more than one hundred pages to explain it. In fact, I want to suggest in what follows, it is a deeper connection that Unger admits, making it necessary to consider the "utopian" older text to understand the meaning of the recent, more "realist" proposals about the global economic order.

Begin with Unger's most bracing argument: neither traditional European social democracy, he thinks, nor even the contemporary "third way" that attempts to harmonize it with American economic flexibility are genuine alternatives to the neoliberal "first way" of the present day. Few proponents of social democracy now believe it can survive without considerable renovation, in light of the success of American economic flexibility and as illustrated by the drift toward the center of all parties of the European left over the past two decades. For this reason, Unger directs his main energies to criticizing the new, hybrid project—sometimes called the third way—that hopes to supplement the "market fundamentalism" of neoliberalism with some remnants of the social-democratic program of old.

This "globalization with a human face," perhaps best represented today by Joseph Stiglitz's recent work,³ is indeed different from the market fundamentalism it attacks. But in Unger's view, it is not different enough: it is merely "a plan to make the world safe for a very particular version of the market economy, while humanizing the result. Such a humanization is to be

achieved without any major enlargement of the institutional toolbox with which we now build representative democracies, market economies, and free civil societies" (p. lix). It is well-meaning, but not armed for the revolt it wants to make against the dominant program in economics.

As Unger plausibly observes, the fact that the project of humanizing globalization forsakes ambitions for institutional renovation is by no means the dictate of economic wisdom alone but depends on a number of presuppositions—political, cultural, and moral. "Behind the determination to render the existing institutional order...more humane—but only so humane as is compatible with its being flexible—lies a commitment to a way of living." Unger writes of the most prominent contemporary responses to globalization. "It is a way that banishes great transformative adventures from politics, and consigns them to private life and to culture. Politicians reorient themselves to the stewardship of efficiencies and decencies, achieved by brokering group deals and solving practical problems" (p. lx). But what, Unger asks, if humanization *requires* institutional experimentalism—and therefore the very transformative impulse that the humanization project currently banishes?

In Unger's opinion, the new, humanizing program will fall victim to the same syndrome that afflicted neoliberalism itself. Among the many arguments in this vein that Unger offers in his recent publications, not least in the new introduction to this book, one is especially interesting. Like the original Washington Consensus, the third way is a program that has to win a con-

² Roberto Mangabeira Unger, *Democracy Realized: The Progressive Alternative* (New York: Verso Books, 1998).

³ Joseph E. Stiglitz, *Globalization and Its Discontents* (New York: W. W. Norton, 2002).

stituency in order to be applied, and is inevitably altered in the process. Unger's point is that economic blueprints, pure or humanized, are the prisoners of their application: they are never applied to the letter. As Unger observes, the state is typically relegated in conventional economic plans to the role of maintenance of social peace, beholden to the very business elites and productive vanguards that benefited from selective application of economic reforms and against which it would need leverage for the humanization of the comprehensive program to take place. In Argentina and Peru in recent years, for example, orthodox reforms could only go so far, captured by the elites, before they were rejected by the street as unjust and intolerable.

Unger sees little reason why the humanizing programs of the present day will avoid the same fate that the orthodox prescriptions suffered. To be applied to the letter and to avoid capture by elites, Unger suggests, a humanizing program would require a more powerful state—and more popular support—than it will allow or could obtain without new and more radical content. The project of humanization, Unger argues, thus faces the choice of either selective application or alteration of strategy, since it is fated to become in practice “either less or more than it professes to be” (p. lxix). *False Necessity*, Unger now says, is dedicated to describing the maximizing extension of the program of humanizing globalization that thinks deeply enough about the conditions necessary for it to be carried out. Differently put, Unger thinks of his project as saving humanization from the humanizers.

It may seem that this line of argument leads Unger back to the “utopianism” of his original presentation in *False Necessity* of a state large and activist enough to resist predatory elites, and counteracted by a civil

society strong enough to keep the government from populist or authoritarian perversions. But Unger now recognizes that *False Necessity* appeared too much like a compulsory plan and, in his new introduction, attempts to qualify the relatively utopian vision he originally offered in several respects. He candidly admits that the sketch of an “empowered democracy” originally offered in *False Necessity* “too easily lends itself to being interpreted as a dogmatic blueprint” (p. lxxv). In response, he suggests that it will become more palatable and convincing if it is provided with a “transition program,” so that the destination that seemed the idyll of the cloistered professor can become the plan of the contemporary politician. Without taking back the utopia once on offer, Unger hopes that it will become more realistic if shown, through a series of institutional fixes and practical steps, to follow sequentially from the way things are now. As he puts it in one of the more elegant passages of the new material, “Programmatic thinking...is music, not architecture. It lives in sequence. Once sustained by a credible image of change in the formative contexts of social life, it enables us to explore a pathway of change at many different points, all the way from the next step to the far removed moments of a sequence. The direction matters, not the relative proximity” (p. lxxvii). Accordingly, Unger hopes that his new introductory remarks will help make *False Necessity* seem more like a score and less like a blueprint.

Second, Unger has become more of a pluralist, understanding the direction toward his older utopia as only one among others to take. Instead of the picture of empowered democracy he originally sketched, Unger now acknowledges the power of rival visions of future democracy that privilege local experimentalism or safety nets. For this rea-

son, Unger devotes the bulk of his new introduction to the problem of how to create the conditions for "empowered democracy" and the alternatives to this endpoint that he originally sketched in the main body of the book. The goal of setting the original text of *False Necessity* in this new context is, as Unger puts it, "less to take something back than to put something more there" (p. xxviii).

This new presentation of Unger's older themes, which he hopes will correct for both the distance and the dogmatism of his original proposal, is nonetheless only pluralistic up to a point. Unger makes this clear in the pages of his new introduction that respond to Dani Rodrik, an international economist who has attacked the programmatic immodesty and local ignorance of the neoliberal theorists in thinking that one size fits all.⁴ In a series of publications, Rodrik has insisted, appealing to historical evidence and economic theory, that the Washington Consensus did justice neither to the plurality of growth strategies that might prove successful nor to the local conditions that can both wreck too conformist a program and provide unexpected means of success for a heretical vision. Against the Washington Consensus, Rodrik has prized local and tailored solutions.

In the one genuinely new part of this edition, Unger contends that Rodrik's endorsement of local resistance and rebellion against the Washington Consensus also fails to think deeply enough about the necessary conditions for opposition to the dominant orthodoxy in economic affairs. Unger suggests that if the heretical deviations from the prevailing norm "are rooted in practical calculations" alone, they will not be able to withstand internal pressure or external threat. For this reason, they are likely to be "abandoned at the first sign of trouble, unable to resist the gravitational pull of the

orthodox solutions, established in the dominant powers and reinforced by international rules and organizations." Alternatively, "If they are anchored in the defense of a collective identity, especially based on religion, they may resist this gravitational pull. However, they are also likely to lose communion with democratic and experimentalist ideals" (p. cxi). Unger thus suggests that when purely local heresies are modern enough to want the good of economic growth without the bad of gaping inequality, they will lack the power to succeed; conversely, if they have the power to succeed, they may turn their back on global integration entirely, seeking, as Iran did for many years, cloistered withdrawal from the world.

A further, more controversial argument Unger advances against Rodrik is that there is no moral reason for a country to prize the historical tradition and the inherited particularity that might lead it to attempt a heretical rebellion against the dominant program of globalization. Not that Unger dismisses the desire for cultural differences among national communities: as he recognizes, one of the main complaints against the Washington Consensus is that the program it developed in hopes of furthering economic growth may threaten the conditions for maintenance of national identity and cultural pluralism.

While Rodrik's program is intended to leave sufficient room for the national variation of inherited differences, Unger insists on "the need to rid ourselves, for the sake of democracy, freedom, and enlightenment, of a perversion that may easily hide behind [the desire for] heresies—the conceit that

⁴ See, for example, Dani Rodrik, *The New Global Economy and Developing Countries: Making Openness Work* (Washington, D.C./Baltimore: ODC/Johns Hopkins University Press, 1999).

the differences most valuable to humanity are already present in the different cultures of the world, and in different nations as bearers of these cultures" (p. cxii). Unger's alternative program, therefore, is supposed to create the conditions for new kinds of national difference, rather than the simple extension of inherited variation, on the grounds that "inheritance [should become] the point from which to depart rather than a map of the way" and "the future matters more than the past" (pp. cxii–cxiii).

Unger's criticisms of Rodrik, no less than his dismissal of globalization with a human face, make it more obvious why, for all the concession to pluralism in the new edition of *False Necessity*, it retains a strong hint of the original, dogmatic style of thought. If both the third way and Rodrik's "many ways" are in practice reducible to the first, neoliberal way, Unger can offer what he calls his "second way" as the single and unavoidable alternative to the dominant program. Thus, the dogmatism that Unger gives up with respect to the destination of "empowered democracy," he restores in the proposal for the first step that a nation would have to take to start any journey. For this reason, he speaks of the second way as the "relatively narrow gateway...needed to make the many ways possible" (p. cxi). Not surprisingly, many of the elements originally sketched in *False Necessity's* portrait of empowered democracy return as elements of the "transition program" that must serve as this "narrow gateway." Thus, Unger advocates a maximal rather than a minimal state; one that, beyond social democracy, focuses on capacity-building rather than compensation; "high-energy" constitutional arrangements that, unlike the American model of James Madison's design, would speed conflict up rather than slow it down; and, finally, a self-organized civil society that by

means of partial associations would weaken the contrast (familiar from Alexis de Tocqueville's work) between the all-powerful state and the weak individual. Given these partial but large convergences between the old "blueprint" and the new "transition," the strategy of conceding to pluralism about final destinations while demanding consensus about initial steps appears in part to reflect a tactic of *reculer pour mieux sauter*.

Of course, there is nothing wrong with dogmatism when it is justified, and I will leave it to readers to assess Unger's detailed plans both for a transition away from the "one true way" of the Washington Consensus and from the empowered democracy that he offers as a possible destination for institutional reform. As a grand theory published at a time of hostility to "metanarratives," Unger's enterprise has so far found little favor in the increasingly postmodern academic left. But in its sobriety and detail, as well as in its more basic recognition of the spiritual innovation and practical growth that markets have sometimes provided the world, it compares interestingly—and in my view favorably—to the mélange of Marxism and postmodernism that comprises the current "bible" of the opposition to globalization, Michael Hardt and Antonio Negri's *Empire*.⁵ In closing, I want to focus instead on one apparent contradiction in Unger's view of the relevance of international economics to the national experimentation he prizes.

Unger recognizes the importance of the typical targets of anti-globalization protesters, the Bretton Woods institutions of the World Bank and the International Monetary Fund (IMF) as well as their more recent

⁵ Michael Hardt and Antonio Negri, *Empire* (Cambridge: Harvard University Press, 2000). See also Mitchell Cohen, "An Empire of Cant: Hardt, Negri, and Postmodern Political Theory," *Dissent* (Summer 2002); available at www.dissentmagazine.org.

companion in governance, the World Trade Organization (WTO). But he attends to them only to suggest that they need to be minimized in their dominance so as to allow particular nations to embark on rebellious policy experiments—by adopting the transition program that Unger sketches, for example. Unger is fully aware that the institutions of international governance force nations into what Paul Krugman has called a “confidence game”: they make national policy subject to constraints imposed by the patience of creditors and the confidence of analysts.⁶ For this reason, in the new material as well as in a related article,⁷ Unger sketches a regime of institutions of international governance that, instead of “operating as the long arm of the dominant neoliberal program,” would “be minimalist” so long as they “exercise worldwide responsibilities under universal rules and standards.” But, he continues, “insofar as these organizations become engaged in the work of selective national turnaround and development assistance”—which is, of course, one of their main functions now—“they should be broken up into separate entities, or into competing and independent teams within the shells of the existing entities. Their job should be to assist national experiments, not to suppress them” (pp. cix–cx). Unger makes similar remarks about the world trading system that, in the WTO, has become the adjunct of the original Bretton Woods institutions. For Unger, the difficulty with the WTO regime, as with IMF counsel, is that it is too tilted, whether because of ideological bias or well-meaning commitment, to economic fashion. Presently, it is tilted in favor of overall world growth—insisting on the free flows of capital without any solicitude for the mobility of labor, and taking pains to ensure that first-world property guarantees (especially intellectual property) have the

same restrictive force everywhere that they enjoy in their countries of origin. Whereas the world trading regime now favors this particular, controversial, and biased vision of international association, Unger argues that the WTO ought to be neutral, economically and morally, among different possible growth strategies that nations may want to pursue.

In this compelling sketch of an international system fostering the coexistence of a plurality of national experiments, however, Unger appears to forget a premise of his thinking about the national forum itself. In multiple passages, Unger denies the goal at which liberal theorists, such as the later John Rawls, think a liberal society should aim: neutrality among different visions of the good life. In these places, Unger plausibly argues that no real society will ever secure any genuine neutrality toward the good life; instead, it will incorporate a tilt that, even in the best of cases, may not make room for all ways of life. For Unger, it is not possible to separate out, as Rawls hopes, a “political liberalism” that can plausibly claim to be different than or neutral among the different “comprehensive” visions of the good. Strangely, however, Unger supposes that the neutrality unavailable in the domestic forum is possible on the international scene, so that institutions of international governance ought not to tilt in any direction and should instead allow a thousand flowers to bloom. The difficulty is not that such neutrality is undesirable (though it probably is), but that from Unger’s own argument one

⁶ Paul Krugman, “The Confidence Game,” *New Republic*, October 5, 1998, pp. 23–25.

⁷ Unger, “The Really New Bretton Woods,” in Marc Uzan, ed., *The Financial System under Stress: An Architecture for the New World Economy* (New York: Routledge, 1996).

should expect it to be impossible. Otherwise, Unger must explain how plausible it is for the reconstructed Bretton Woods institutions to sustain a Rawlsian neutrality among nations even when, according to his own argument, neutrality is impossible within each nation.

Given that Unger has designed his transition program so that it supplies the conditions for local rebellion against the global norm, even if the Bretton Woods institutions remain as they are now, this point may not seem very important. However, a realization that there is an inevitability of bias to international governance, as much as there is within the national forum, has a number of programmatic consequences. First, it suggests skepticism toward Unger's apparent strategic wager that a single, breakaway state could defy the world order by itself (and, if successful, force change in the regime of international governance). Second, it makes the ideological commitments of international institutions a central problem (rather than a peripheral matter) for the kinds of activities that could hypothetically take place locally. Put differently, it is impossible to make the reform of the Bretton Woods organizations independent of the proposals of the transition program. It is true that this point forces an enlargement of strategy by making reform of international governance a necessary adjunct, or even a required precondition, of national experimentation. But third, and finally, this enlargement is to some degree offset by the minimization of the efforts required by each locale to experiment in its own way. The state will not, as it is in Unger's vision, have to be primed to resist the force of the institutions of internation-

al governance if they were to become encouraging, rather than hostile or "neutral," to national heresy and deviation. The scene of ideological conflict becomes as much first-world opinion as third-world politics (where Unger thinks the main and best hope now lies).

The difficulty of Unger's sketch of a "neutral" international regime suggests, then, a program even less pluralistic than the one Unger now offers. When his own dogmatism does not shine through on its own, his arguments suggest that, on the international scene no less than in the domestic realm, a *reorientation* of the "convergence thesis" of neoliberalism—and not an attack on the notion that a single ideal toward which the world should converge—is not only inevitable, it is desirable. As a result, Unger has not so much, in this new edition, conceded to pluralism and consensus as suggested the need to take his older monism and dogmatism all the way. All the more reason to revisit the original presentation of "empowered democracy" in *False Necessity*, to judge for oneself whether the utopia it sketches is worth advocating today. A note to the realist: utopia may be about to collide with reality. In recent years Unger has advised the Brazilian presidential candidate Ciro Gomes, who, after a recent surge in the polls, stands a chance of winning the October 2002 election. Gomes's rival, who hopes to inherit current President Fernando Henrique Cardoso's commitment to the orthodox model that has made Brazil the darling of the neoliberal movement, now, like neoliberalism itself, faces a stiff challenge. In such circumstances, Unger's book may become more than an interesting theory. *False Necessity* may become truly required reading.