

# THE SECOND WAY (VIEWED FROM THE STANDPOINT OF THE INITIAL STEPS)

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- 1. Mobilizing national resources: enriched, capable government**
  - a. High tax take
    - i. stage 1 – regressive taxation: indirect tax on consumption
    - ii. stage 2 – progressive tax on individual consumption and inherited wealth
  - b. High-level civil service
- 2. Mobilizing national resources: saving and production**
  - a. Protective shield against volatile capital
  - b. Progressive mandatory pension saving, progressively proportional to income (“defined-contribution” system with redistributive mechanism)
  - c. Tightening of links between savings and production
    - i. Within established capital markets
    - ii. Outside capital market – e.g., public venture capital
- 3. Democratizing the market economy: bridging vanguards and rearguards**
  - a. Stage I: Extending access to credit, technology, expertise
  - b. Stage II: Decentralized, experimentalist strategic coordination between government and business: intermediate centers and funds  
Consolidate productive vanguard and deepen its links with rearguard.  
To this end, reject choice between arm’s length regulation, centralized trade and industrial policy: multiple independent entities between governments and firms
  - c. Stage III: Alternative regimes of private and social property.
- 4. Democratizing the market economy: enhancing returns to labor and deepening the domestic markets**
  - a. Relatively high minimum wage and national work projects and/or publicly supported caring economy
  - b. Solidaristic wage bargaining combined with legal regulation
  - c. Profit-sharing
- 5. Democratizing the market economy: imposing “capitalism” on “capitalists”**
  - a. Radicalizing domestic competition

- b. Ensuring the primacy of productive interest over rentier interests ,  
qualified by commitment to enhance domestic saving-investment  
cycle
- 6. Democratizing the market economy: subordinating the external to the  
internal: conditional integration in world economy on terms convenient  
to national project**
- a. Reinventing import substitution: export-led growth and import  
substitution combined
  - b. Under circumstances of conditional openness and international  
benchmarking
  - c. In context of the extension of social base of productive vanguards
  - d. Fighting for alternative program of world trade and pluralistic  
reorganization of Bretton Woods system
- 7. Social policy as educational and economic empowerment of individual**
- a. Educational equipment
    - i. Double minima of investment and performance
    - ii. Supervisory/corrective structure of flexible federalism  
(Overseen and executed by transfederal bodies)
    - iii. Focus on generic capacities
  - b. Economic equipment: towards social inheritance, e.g., social  
endowment accounts
- 8. Organizing civil society**
- a. The caring “economy” and the basis of social solidarity
    - i. Development of “caring economy”
    - ii. Organization of work time between production and caring  
economies
    - iii. Mandatory social service
  - b. Private law plus one: strengthening resource base of voluntary  
association: e.g. through independent public-foundation grants
  - c. Public-law minus one: nongovernmental framework for independent  
self-organization of civil society, with rights to opt out of this  
framework
- 9. Deepening democracy: high-energy politics**
- a. Sustained heightening of organized civic engagement: high level of  
organized civic engagement, media, parties
  - b. Bias toward reform capability: constitutional arrangements combining  
plebiscitarian potency and rapid resolution of impasse: comprehensive  
programmatic plebiscites and early elections in the face of impasse.