

# Dædalus

Journal of the American Academy of Arts & Sciences

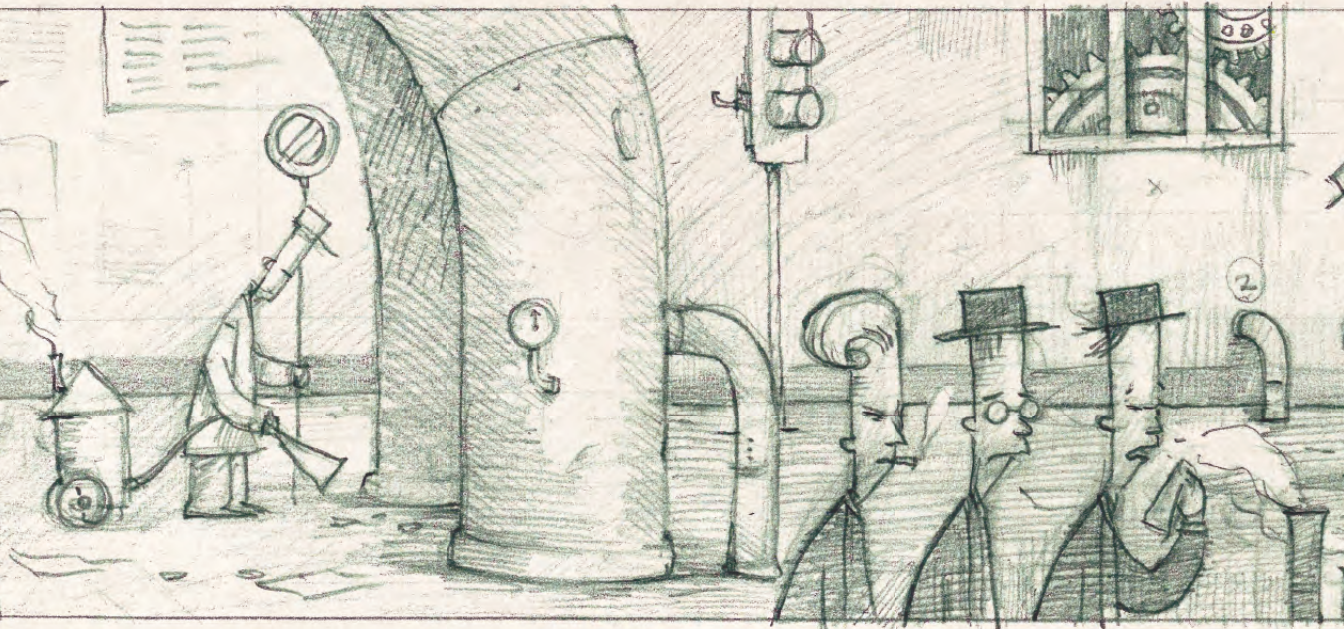
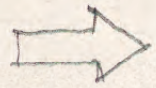
Winter 2023

## Creating a New Moral Political Economy



Margaret Levi & Henry Farrell,  
guest editors

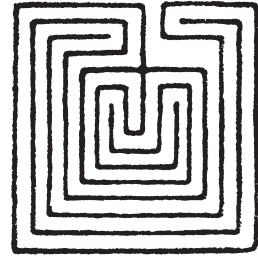
with Zachary Ugolnik · Samuel Bowles · Wendy Carlin  
Mariano-Florentino Cuéllar · Jenna Bednar  
Prerna Singh · Joseph Kennedy III · Alison Gopnik  
Anne-Marie Slaughter · Steven M. Teles  
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Debra Satz · Marc Fleurbaey · Chloe Thurston  
Rebecca Henderson · Colin Mayer · Margaret O'Mara  
Marion Fourcade · danah boyd · William H. Janeway  
Federica Carugati · Nathan Schneider · Lily L. Tsai  
Ann Pendleton-Jullian · John Seely Brown



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Journal of the American Academy of Arts & Sciences

“Creating a New Moral Political Economy”

Volume 152, Number 1; Winter 2023

Margaret Levi and Henry Farrell, Guest Editors

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*Inside front cover:* The images on the inside covers are by the Australian artist Shaun Tan. They are taken from a storyboard for the Academy Award-winning short film *The Lost Thing*, based on Tan’s book of the same name. Tan says that *The Lost Thing* incorporates “ideas about social apathy and dehumanizing economic policies,” depicting a city where “all value and meaning is so clearly defined, it leaves no room for alternative ideas and inventiveness.” But those who follow the clues can discover the door to a place where the things that don’t fit can be found. Tan’s image captures what we wanted to create with this issue—a first sketch of a political and economic world that seems morally exhausted, but that has wonderful possibilities for change if only we lift up our eyes. We’re grateful to Tan for giving us permission to use his art. *Tram Window Landscape* storyboard © 2008 by Shaun Tan.



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The labyrinth designed by Dædalus for King Minos of Crete, on a silver tetradrachma from Cnossos, Crete, c. 350–300 BC (35 mm, Cabinet des Médailles, Bibliothèque Nationale, Paris). “Such was the work, so intricate the place, / That scarce the workman all its turns cou’d trace; / And Dædalus was puzzled how to find / The secret ways of what himself design’d.”  
–Ovid, *Metamorphoses*, Book 8

Dædalus was founded in 1955 and established as a quarterly in 1958. The journal’s namesake was renowned in ancient Greece as an inventor, scientist, and unriddler of riddles. Its emblem, a maze seen from above, symbolizes the aspiration of its founders to “lift each of us above his cell in the labyrinth of learning in order that he may see the entire structure as if from above, where each separate part loses its comfortable separateness.”

The American Academy of Arts & Sciences, like its journal, brings together distinguished individuals from every field of human endeavor. It was chartered in 1780 as a forum “to cultivate every art and science which may tend to advance the interest, honour, dignity, and happiness of a free, independent, and virtuous people.” Now in its third century, the Academy, with its more than five thousand members, continues to provide intellectual leadership to meet the critical challenges facing our world.

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# Mobilizing in the Interest of Others

*Margaret Levi & Zachary Ugolnik*

*A new moral political economy will revise capitalist democracy to ensure flourishing for all. Its principles derive from the recognition that humans are social animals who benefit from reciprocity and cooperation. We argue for attention to mobilizing strategies and governance arrangements that facilitate prosocial behavior and overcome the divisions – racial, political, and otherwise – that block awareness of common interests. We advocate for an expanded and inclusive community of fate whose members see their interests and destinies as intertwined.*

The world is living through a transition. The political and economic structures of both capitalism and democracy are fraying under the pressure of transformations in technology, the economy, and the forms and possibilities for work and well-being. People who feel they are losing out are mobilizing to make their voices heard. Since the dawn of the nineteenth century – with the founding of the American democracy, the French Revolution, and the rise of modern capitalism and colonialism – there have been multiple moments of rethinking and renewing the systems under which we live. We are in another such moment now.

And it could go either way. Reactionary governments and fascism are possible, but there is still the possibility of change that makes the populace better off, preserves our planet and our ability to live on it, and establishes a more equitable, just, and effective democracy.

The goal of this issue of *Dædalus* is to highlight some important ideas about how to create a better world. Our collective task is the establishment of a political economic framework that offers a revised form of capitalist democracy, one that ensures the flourishing of all, whose morality truly represents commonly held and cherished values, and yet recognizes and respects difference. The development of such a framework is the purpose of the Moral Political Economy program at the Center for Advanced Study in the Behavioral Sciences (CASBS) at Stanford University, from which this volume draws. The program crowdsources ideas and wisdom from diverse thinkers. One of the principles of our collective effort is that something as important as remodeling capitalist democracy must be a cross-disciplinary and cross-sectoral effort. It has in the past been left almost solely in the hands of economists, important contributors but not the sole authorities.

We are, of course, not the first to argue for a *moral* political economy.<sup>1</sup> Nor are we alone in the effort to provide a roadmap to a fairer and more inclusive political economy. There is growing awareness of the need for such change, and projects in addition to this one, and others funded by the William and Flora Hewlett Foundation, are emerging.<sup>2</sup>

In their book *A Moral Political Economy*, Margaret Levi and Federica Carugati summarize some of the thinking to date and attempt to create guidelines for further work.<sup>3</sup> The argument is simple. First, political economic frameworks change over time in response to technological, political, economic, demographic, and ideological transformations. This means the current political economic framework, often clumsily labeled neoliberalism, is neither natural nor immutable.

Second, the creation of a new moral political economy requires theorists to set aside assumptions that are no longer valid scientifically, such as *homo economicus*, and substitute for them a model of human behavior that recognizes humans as social animals. Humans are intentional and boundedly rational animals, yes, but they are also enmeshed in social connections that inform their thinking and actions.

Third, a new moral political economy means rethinking the collective goals of a society and its measurements of success. It means moving away from an ideology of individual achievement that neglects structural constraints and away from measurements such as GDP that ignore unequal wealth and well-being. It means moving toward an approach that emphasizes flourishing, as Jenna Bednar elaborates in this volume, and relational equality across race, gender, religion, nationality, and whatever other status has historically conferred unequal citizenship in the polity, marketplace, and workplace.<sup>4</sup> It means, as Grieve Chelwa, Darrick Hamilton, and Avi Green argue in this collection, going beyond the traditional political economic focus on class and including identity stratification in the very formulation of the framework.<sup>5</sup>

The fourth component involves the redesign of institutions – political, economic, social – so they support common values and goals, facilitate mutuality, and generate expanded and inclusive communities of fate. A redesign also requires a rethinking of traditional hierarchy, what it means to be democratic, and who holds power and on what basis.

To achieve a moral political economy involves finding means to leverage power by those who seek the betterment of all, against those who are resisting change or seek protection only of particular interests. Not small questions or tasks. It also requires “being ready,” what one of us has called the Frances Perkins theory of change.<sup>6</sup> Proponents of a new moral political economy must have at the ready ideas for new policies, practices, and rules of the game so as to be able to take advantage of the opportune – but often unpredictable – moments when change is possible. The Biden administration absorbed participants in the moral political

economy program at CASBS, for example, Heather Boushey, Jennifer Harris, and Joseph Kennedy III, and it is seeking advice from others, for example, Darrick Hamilton. It has tried to implement some of their proposals, but as is evident in today's American politics and policies (at least as of this writing), a new way of thinking about the economy is not yet widely adopted, and the social movement that might help make that happen not yet fully realized.

**D**rawing on a vast network of thinkers, this issue of *Daedalus* focuses on questions for which there seem to be helpful ideas. The volume contains eleven lead essays, including this one, each accompanied by two shorter responses. The emphasis is less on policy per se than on ways to think about a problem and its solutions in some essential domains. Even so, there are suggestions for what economists Samuel Bowles and Wendy Carlin label “emblematic policies,” a necessary feature for a new moral political economy.<sup>7</sup>

All of those involved in this volume evoke some form of sociality and cooperation as linchpins of their arguments. They draw on evolutionary theory, psychology, network theory, and findings from research on care. They experiment with different terminology, for example, *homo reciprocans* developed by Samuel Bowles and Herb Gintis, or *sapiens integra* advocated by Anne-Marie Slaughter and Hilary Cottam.<sup>8</sup>

The starting place of a moral political economy is the twofold assumption that, first, humans are social animals albeit intentional, boundedly rational, and individuated, and, second, they benefit from reciprocity and cooperation. The first assumption is incontrovertible, even if the sociality of humans has not yet been absorbed into orthodox economics or all choice models.<sup>9</sup> The second is the one we will explore in this essay, and that others in this volume also explore, and attempt to scale beyond the bounds of the small group and into the realm of the larger political economy. And we are not alone. Some very significant arguments are beginning to emerge that draw on these assumptions.<sup>10</sup>

To make the case for the societal benefits of reciprocity and cooperation requires more than reference to what we know from observations of success stories or the findings of field and lab experiments. It demands attention to the governance arrangements that facilitate, even generate, prosocial behavior – that is, behavior in the interests of others – and that work in the opposite direction, promoting the divisions – racial, political, and otherwise – that block awareness of common interests. Research and thinking have largely focused on the second.<sup>11</sup> The first informs the moral political economy program.

Prosocial behavior derives from mutuality and cooperation and from the imagination – and construction – of alternative ways to organize lives and engage in collective actions on behalf of widely shared common goods.<sup>12</sup> One form this can take is an expanded and inclusive community of fate, the perception of

interdependence with a wide range of others, well beyond one's family, friends, neighbors, and subgroup.<sup>13</sup> The acknowledgment that one's destiny and one's descendants' destinies are entwined with others can motivate solidarity with and action, sometimes costly personal actions, on behalf of peoples who are likely to be strangers and unlikely to reciprocate directly.

But how to go about generating such a community of fate in a world so riven by factions and misinformation and veto points? And how to ensure it is in fact inclusive? The term *community* has traditionally suggested boundaries: there are those who are in and those who are out.<sup>14</sup> But it is also a concept that captures solidarity, mutuality, and interdependence. The trick is to ensure the community is encompassing enough to overcome the factions and the boundaries. Certainly, this happened during the world wars by creating common ground based on a common enemy. Today's enemies are equally threatening, but they are not countries. Pandemics, climate disasters, and economic insecurity mobilize mutual aid. They could also form the foundations for building expanded and inclusive communities of fate.

**A**n expanded and inclusive community of fate is not an idealistic portrait but a dynamic model based on the best social and scientific research. It requires neither direct reciprocity nor ubiquitous love for all members. But it does require action on behalf of a common future – one of the simplest and most fundamental things all humans share. If one reflects on relatives, neighbors, and others in the communities of fate one currently occupies, it is apparent that people need not *like* those they love or with whom they cooperate.

But they may need to develop empathy with and respect for others, especially those outside their in-group.<sup>15</sup> Such connections can be grounded in the recognition that what is happening to them could happen to you, or it could have sources in religious or political ideologies. The very act of caring for others may produce emotional bonding, as psychologist Alison Gopnik argues.<sup>16</sup> And a prosocial and costly action can be a reward in itself. For example, political scientist Elisabeth Jean Wood reveals how engagement in a social movement or revolution can provide the “pleasure of agency” and thus help motivate further commitments.<sup>17</sup> So can democratic engagement itself.<sup>18</sup>

Individual acts of care or risk-taking can increase solidarity and civic engagement, but they are most likely to do so when embedded in organizations and movements whose governance arrangements facilitate collective actions on behalf of strangers. This was the case for the labor unions John Ahlquist and Margaret Levi studied.<sup>19</sup> The rules and the culture of these democratic organizations ensure that the economic security of members is the first priority. But it had a larger impact. The solidarity built by that effort could then be used in support of those not connected to the unions by creating an engaged democratic debate and decision-

making process about when to take costly individual and collective actions on behalf of others. Going from the local to the global is part of what Federica Carugati and Nathan Schneider address in their essay in this volume, and it is the subject of many current analyses of social movements.<sup>20</sup>

Scaling is one problem, but the equally tough challenge is ensuring inclusiveness. Nazism and apartheid (both in the United States and South Africa) offered membership in a cross-class community of fate, but they were grounded in the superiority of one part of the population and in enmity, even violence, toward those branded as inferior. The current debate involves finding the appropriate balance among those making demands on their societies based on their identities or status. Acknowledgment of the long history of marginalization of certain racial, ethnic, and religious groups means correcting long-denied rights and access to opportunities. But given zero-sum thinking – where one’s gain is considered another’s loss – this is producing a politics of resentment by those who feel others are getting something at their expense.<sup>21</sup> Their thinking is arguably wrong, but their beliefs are strongly held and hard, though not impossible, to change.

In considering how best to create an inclusive and expanded community of fate, there are lessons from the history of religions as well as social movements. Some religions and social movements succeed in crafting a common identity among diverse groups, cultures, and publics. In their very formation is the recognition of humans as social beings seeking connections and as ethical beings seeking higher purpose. Such inclusive and expansive communities of fate develop spiritual and moral incentives, but the most successful also develop governance arrangements that facilitate the common cause while attending to individual needs, both material and nonmaterial.

Communities of solidarity require shared spaces, physical or digital, that encourage prosocial behavior. Jenna Bednar’s essay in this volume provides a roadmap for prioritizing place-making as a strategy for community building.<sup>22</sup> Sociologist Eric Klinenberg also advocates for increased investment in physical infrastructure that promotes “social infrastructure” such as libraries, parks, and promenades.<sup>23</sup> These physical spaces not only serve the needs of the individuals in their communities, with a book or a place to walk the dog, but also shape how people interact with each other. Increased and sustained interaction can be embedded in their design. When possible, these public spaces can also be made more “biophilic,” to use Natasha Iskander and Nichola Lowe’s conception, by understanding that social communities are also ecological communities.<sup>24</sup>

Equity advocate Heather McGhee reminds us, however, that shared physical space may be necessary but insufficient: the white leadership of local governments in the United States filled public pools with concrete rather than have whites and



blacks mingle.<sup>25</sup> Such instances make clear the need for an inclusive moral ethic that correlates the flourishing of different groups across racial and other divides. It means reframing public discourse from a zero-sum politics to an emphasis on mutual benefit from cooperation.

As remote work and automation begin to reach more sectors of the labor market and regions of the country, more people will occupy digital and physical space simultaneously. Communities will increasingly need to rely on digital as well as physical opportunities for relationship building. The reimagination and design of digital and social media platforms to ensure democratic engagement in service of a shared future will become a prerequisite of an expanded and inclusive community of fate.<sup>26</sup> But this needs to occur within a context of understanding how technology affects our thinking and our actions, a problem addressed in this volume by Henry Farrell and Marion Fourcade.<sup>27</sup>

Communities of fate also need to address and enhance multigenerational solidarity. It is common wisdom that seniors are less likely to support spending on education in states where they perceive the beneficiaries as not only young but of a different race. However, instead of accepting the divides and boundaries created by the diverse and divergent needs among subgroups of the population, programs and policies could bridge generational, racial, and wealth gaps. As an example, “baby bonds,” proposed by Darrick Hamilton and William Darity, link future returns to children with small investments by all in the present.<sup>28</sup> Alison Gopnik’s essay in this volume also addresses how to bridge the generations in her focus on care for both the very young and the needy elderly.<sup>29</sup>

The climate crisis exemplifies an existential challenge that cannot be solved with the best intentions of one generation or region. Any solution requires not simply shifting from short- to long-term returns, but an entire rethinking of how to connect an uncertain future with present, purpose-oriented action. Studies have demonstrated the degree to which adherence to values considered “sacred” often outweigh material rewards regardless of their distance in time or across space.<sup>30</sup> When something is considered sacred (not necessarily religious), its protection can outweigh the benefits of compensation for an alternative action. Indigenous people worldwide mobilize to protect sacred sites even when the costs to them are high in terms of foregone cash flows. In other instances, the defense of the sacred leads to action sometimes in the interest of strangers, sometimes through violence against a hated group, sometimes both.

The same logic applies to the local effects of climate change. For many of those affected, their local landscape is integral, even sacred, to their identity and economic livelihood. But the status quo threatens the fundamental character of these lands and the entire planet. Environmental disasters do not abide by the boundaries of politics or social circles. Forest fires on the West Coast blanket the upper

atmosphere of the states in the Northeast. Warming ocean temperatures induce severe storms that batter inland states in the Southeast. “Think globally, act locally,” can now be inverted when extreme weather occurrences, consistent high temperatures, and infectious diseases make the connection between the two so close to home.

**S**ustaining communities of fate depends on governance arrangements, as we have discussed, but also on successful appeals to multiple dimensions of the person, including their ethics and their senses. This often involves rituals.<sup>31</sup> Ramadan, for example, in the Islamic tradition, offers the shared experience of fasting during the day often ending with a communal breaking of the fast in the evening. Many other religious and national holidays involve sharing a meal – famously, Thanksgiving in the United States – and the fellowship that often accompanies it. Prayer, meditation, and hymns provide ways to mentally align strangers separated by great distances. The sit-ins and marches of the civil rights movement were punctuated by ballads, spirituals, and freedom songs. Rituals and other references to common values link physical action with the shared beliefs that inform those practices, mutually reinforcing each other. They connect individuals across time and space and, potentially, across nationalities, ethnicities, and ages.

Participation in synchronized activities or rituals can increase cooperation within the group.<sup>32</sup> The holiday for Martin Luther King, Jr. is one example. The activities surrounding this holiday, from the national speeches to city parades to neighborhood community service, cultivate the values that Dr. King advocated. As “a day on, not a day off,” these events recognize that the fight for racial equity continues, looking to the future as much to the past.

Some rituals, of course, cultivate groupthink, lack of creativity, and aggression toward outsiders, such as when nationalist and religious practices have the effect of celebrating one group over another rather than in the creation of a shared identity. Moreover, which group these practices encompass changes over time. For example, many in the United States have now come to realize that Thanksgiving and Columbus Day denigrate Indigenous people in the United States in the effort to celebrate those who settled the continent.

**S**caling, inclusiveness, appropriate spaces for interaction, multigenerational solidarity, and engagement through rituals and action are all critical to the development of an encompassing community of fate. Of equal importance, however, is the ability of the society based on such a community to provide what its constituents need and want. An expanded and inclusive community of fate contributes to changes in belief that make it possible for people to recognize commonalities in those needs and demands and, also, to overcome the zero-sum thinking that often divides one subpopulation from another.

However, beliefs and empathy cannot buy bread or ensure decent housing, jobs, or schooling. As Debra Satz argues in her essay in this volume, markets that embody the values of the society are equally essential, inhibiting their noxious elements, preventing failures, but also distributing goods and services relatively equitably and without exploitation.<sup>33</sup> Rebecca Henderson, in her essay, emphasizes the importance of purposeful corporations that serve both their shareholders and the wider community.<sup>34</sup> John Ahlquist considers what is required to ensure decent jobs, Alison Gopnik what is necessary for caregiving, and Natasha Iskander and Nichola Lowe what makes for an Earth-friendly political economy by means of biophilic institutions.<sup>35</sup> Grieve Chelwa, Derek Hamilton, and Avi Green alert us to the need to rearrange our governance and other structures to ensure racial justice while Henry Farrell and Marion Fourcade warn us of the dangers of the power embodied in new technologies.<sup>36</sup> Federica Carugati and Nathan Schneider introduce a process for reimagining democracy itself.<sup>37</sup>

But it is not only which goods and services are supplied, but also that they are supplied. Richard Locke, Ben Armstrong, Samantha Schaab-Rozbicki, and Georgie Young thus explore ways to improve our supply chains domestically and globally.<sup>38</sup> Outside the bounds of this volume, but from within the community of the moral political economy program, Steven M. Teles and coauthors consider reform of government regulations that inhibit affordable and sufficient supply that depend not on supply chains, but private firm and governmental capacity.<sup>39</sup> In their ongoing work, John Seely Brown and Ann Pendleton-Jullian push us to redesign our institutions for the future by transforming our ways of seeing and thinking and engaging those affected in a wholly different way.<sup>40</sup>

A new moral political economy may require the formation of an expanded and inclusive community of fate, but it also requires a reconstitution of how our governments, businesses, technologies, and religious and civic organizations organize work and life. Their goal should be to achieve commonly held values, such as the well-being of both humans and the planet, the achievement of relational equality, a significant reduction in economic inequality, and a fair distribution of goods and services. The essays collected here identify obstacles in the path of a new moral political economy, but also provide reasons to believe in both its necessity and possibility.

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## ENDNOTES

- <sup>1</sup> Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1957); Samuel Bowles, *The Moral Economy: Why Good Incentives Are No Substitute for Good Citizens* (New Haven, Conn.: Yale University Press, 2016); and Fred L. Block and Margaret R. Somers, *The Power of Market Fundamentalism: Karl Polanyi's Critique* (Cambridge, Mass.: Harvard University Press, 2014).
- <sup>2</sup> William and Flora Hewlett Foundation, "Economy and Society," <https://hewlett.org/strategy/economy-and-society> (accessed December 14, 2022). In addition to the Hewlett Foundation, the Berggruen Institute and the Omidyar Network are also funding such work.
- <sup>3</sup> Federica Carugati and Margaret Levi, *A Moral Political Economy: Present, Past, and Future* (Cambridge: Cambridge University Press, 2021).
- <sup>4</sup> Jenna Bednar, "Governance for Human Social Flourishing," *Daedalus* 152 (1) (Winter 2023): 31–45; Elizabeth S. Anderson, "What is the Point of Equality?" *Ethics* 109 (2) (1999): 287–337, <https://doi.org/10.1086/233897>; and Debra Satz and Stuart White, *What Is Wrong with Inequality?* (London: Institute for Fiscal Studies, 2021), <https://ifs.org.uk/inequality/wp-content/uploads/2021/09/What-is-wrong-with-inequality.pdf>.
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- <sup>6</sup> Margaret Levi, "Frances Perkins was Ready!" *Social Science Space*, March 31, 2020, <https://www.socialsciencespace.com/2020/03/frances-perkins-was-ready>.
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- <sup>13</sup> John S. Ahlquist and Margaret Levi, *In the Interest of Others: Organizations and Social Activism* (Princeton, N.J.: Princeton University Press, 2013); and Margaret Levi, “An Expanded Community of Fate,” *Noema*, July 7, 2020 <https://www.noemamag.com/an-expanded-community-of-fate>. However, Ahlquist and Levi were not the first to use the term “community of fate.” It has several lineages, but a disturbing variant was the Nazi usage of *Schicksalsgemeinschaft* to evoke an exclusive, racist, nationalist community. When President Obama and his speechwriter Ben Rhodes discovered this historical usage, they decided to take it out of a speech Obama was soon to deliver. See Ben Rhodes, *The World As It Is* (New York: Random House, 2019); and Barack Obama, *A Promised Land* (New York: Crown, 2020). But Obama and Rhodes seemed unaware of how Germans also used the term in a similar sense as Ahlquist and Levi. See, for example, Hans Kundnani, “Lost in Translation: Communities of Fate,” *Berlin Policy Journal*, October 23, 2018, <https://berlinpolicyjournal.com/lost-in-translation-communities-of-fate>.
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- <sup>25</sup> McGhee, *The Sum of Us*.
- <sup>26</sup> Lucy Bernholz, Hélène Landemore, and Rob Reich, eds., *Digital Technology and Democratic Theory* (Chicago: University of Chicago Press, 2021).
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- <sup>33</sup> Debra Satz, “Democracy & ‘Noxious’ Markets,” *Dædalus* 152 (1) (Winter 2023): 179–188.
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- <sup>38</sup> Richard M. Locke, Ben Armstrong, Samantha Schaab-Rozbicki, and Geordie Young, “Supply Chains & Working Conditions During the Long Pandemic: Lessons for a New Moral Political Economy?” *Dædalus* 152 (1) (Winter 2023): 131–142.
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# Foundations of an Expanded Community of Fate

*Samuel Bowles & Wendy Carlin*

*We develop a representation of markets, states, and civil society as aspects of institutions and policies that might provide the foundations of the expanded community of fate proposed by Margaret Levi and Zachary Ugolnik. What we term our “synergy simplex” provides a language and roadmap for researching and debating the alternatives, a process that the authors (and the moral political economy project they lead) have so fruitfully launched.*

The key idea in the sweeping introduction and overview by Margaret Levi and Zachary Ugolnik is that a well-governed society requires that social interactions be structured to sustain an egalitarian, democratic, and solidaristic culture.<sup>1</sup> By committing to this perspective in their new moral political economy, they abandon two widely held but sometimes unspoken precepts in policy and institutional design.

The first is that individual preferences are exogenously given rather than sustained, undermined, or modified by people’s life experiences. The second is that the clever design of mechanisms – property rights, legal constraints, incentives, and other rules of the game – is sufficient to ensure good governance, independent of the preferences that motivate people. So good governance does not require good citizens. Taken together, their rejection of these two precepts – exogenous preferences and the idea that good institutions can be designed for what economists term unrestricted preferences – places Levi and Ugolnik in the camp of the political philosophers from Aristotle to Thomas Aquinas, Jean-Jacques Rousseau, and Edmund Burke who recognized the cultivation of civic virtue not only as an indicator of good government but also as its essential foundation.

“Legislators make the citizens good by inculcating habits in them,” Aristotle wrote in the *Ethics*.<sup>2</sup> “It is in this that a good constitution differs from a bad one.” A century earlier, Confucius had provided advice about how rulers should treat their people, and about the pitfalls to be avoided: “Guide them with government orders, regulate them with penalties, and the people will seek to evade the law and be without shame. Guide them with virtue, regulate them with ritual, and they will have a sense of shame and become upright.”<sup>3</sup>

Confucius provided advice for a ruler. In contrast, Levi has provided an example of a concrete institution that contributed to an expanded community of fate, which is essential to the functioning of the new moral political economy that she and Ugolnik advocate. Drawing on her joint work with John Ahlquist on labor unions of the last century, she writes:

The dockworker and longshore unions on the west coast of the U.S. and in Australia were able to mobilize their members on behalf of distant others who could never reciprocate. They achieved this with governance arrangements that made leaders highly accountable, introduced members to events in the world and then allowed them to come to a determination about whether and how to act. In these unions, leadership successfully delivered what their members rightfully expect of unions: better wages and working conditions, job security and safety, social insurance. But the union also offered education about history and current affairs.<sup>4</sup>

The values that could support a new expanded community of fate, one concludes from this passage, will be the product not simply of “guidance” by political or cultural leaders but of how we interact with each other.

Levi and Ugolnik have laid out a combined political project and research agenda that challenge the idea that policies can be located along a single dimension as being more left or more right, more pro-state or pro-market. We illustrate this restricted conception of policy choices in Figure 1.<sup>5</sup>

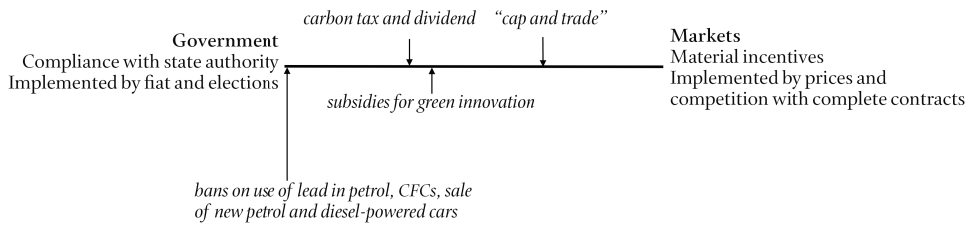
Compare “carbon tax and dividend” policies, in which the government sets a price on carbon emissions, with “cap and trade” policies, in which the government sets limits on emissions and lets the market determine the price. Each uses a different combination of state capacity and market mechanism to deliver lower carbon emissions (one more neoliberal, closer to the market pole; the other closer to the government pole).

The limitations of the one-dimensional depiction of the policy-institution space are illustrated by the challenge of environmental sustainability shown in Figure 1. Where do we locate policies that cultivate and mobilize both green values and social pressures from neighbors and friends to alter one’s lifestyle so as to reduce one’s own carbon footprint?

**T**he menu of policies and institutions in Figure 1 is not only ill-equipped to address the conditions for a flourishing expanded community of fate. It also appears anachronistic in light of recent advances in economics, perhaps surprisingly given the prominence of this limited paradigm in discussions about economic policy. Two developments are especially important.

The first, thanks to the “information revolution,” is the recognition that the information available to both governments and private economic actors alike is local and limited. The result is to curtail the ability of either private contract or gov-

*Figure 1*  
The One-Dimensional “Government Versus Markets” Policy and Institutions Space



Source: Chart created by the authors.

ernmental fiat to address many problems. The consequences go beyond market and state failures, respectively. Limited information is also the reason why many economic interactions take the form not of market exchanges, like the purchase of bread or steel, but instead principal-agent relationships in which one party to the exchange, for example, the employer or the lender, exercises a form of private power over the other, the worker or the borrower.

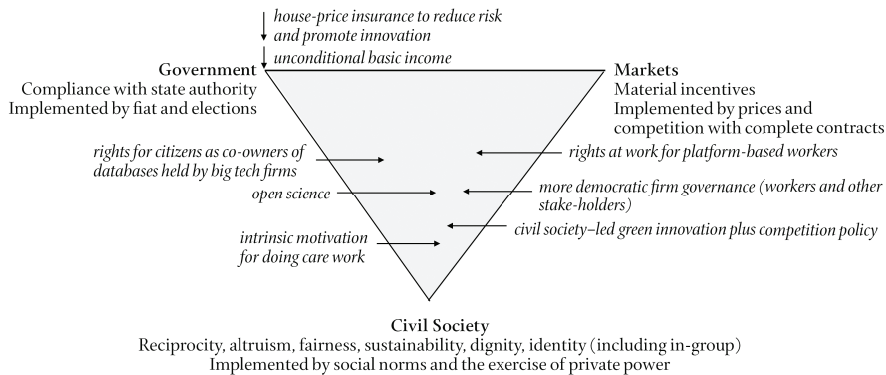
The second development, due to behavioral economics, is an essential piece of the expanded community of fate idea that Levi and Ugolnik have advanced. It is that people have preferences and ethical commitments regarding others that exceed the amoral and self-interested economic man. Equally important values such as generosity, fairness, and reciprocity appear to be cultivated in environments in which people of necessity work together cooperatively to make their living. This was observed in a set of behavioral experiments played in small-scale societies around the world – farmers, herders, hunters of large game – and in a study of Brazilian fishermen that compared the large and necessarily cooperative crews of ocean fishers with the individual and highly competitive lake fishers.<sup>6</sup>

The one-dimensional paradigm and its policy levers thus overlook the opportunities for solutions drawing on what Levi and Ugolnik call the social character of people, our intrinsic motivations to help others and to do a good job, our desire to construct a dignified identity, and the power of social norms, such as greener consumption preferences. As a result, a new space opens up for policies and also for new critiques of the status quo.

These social preferences may constitute not only an opportunity for better societal governance missed in the one-dimensional paradigm, but when ignored, a cause of ineffective and even counterproductive policy. There is some evidence,



Figure 2  
State, Market, and Civil Society Complementarities in a New Paradigm



Source: Chart created by the authors.

for example, that paying for blood donations reduces the supply (at least among men).<sup>7</sup> And during the 2020–2021 COVID-19 pandemic in Germany, “control-averse” citizens enthusiastically supported vaccination if it were to be voluntary but much less so if it was required by the government.<sup>8</sup>

We propose an alternative two-dimensional space for institutions and policies, shown in Figure 2.

The third pole in Figure 2 is civil society, and any point in the interior of the triangle represents a particular configuration of policies or institutions that combine motivation and implementation mechanisms from all three poles working together. Thus, entries represent organizations or policies with differing combinations of rules of the game and motivations characterized by the three vertices.

We call it the *synergy simplex* because Levi and Ugolnik do not pose the question as governments *versus* markets or state *versus* civil society. Instead, well-designed organizations and rules of the game allow its vertices – governments, markets, and civil society – to work in complementary ways rather than as substitutes. So, for example, they see both state coercion and social norms as essential; neither works without the other.

Dismissed by some as a fringe concern, the impact of values’ changes can be substantial. A recent empirical study of “green” and “dirty” patents in the automobile manufacturing sector around the world found that a greening of values (of a magnitude observed over the past two decades) along with increased competition would account for a greening of innovation of the same magnitude as would have resulted from a (politically explosive) 40 percent increase in fuel prices.<sup>9</sup>

Consistent with a new moral political economy, the simplex also provides a way of conceptualizing the sources of economic growth, not in material output but in the subjective well-being of people that Levi and Ugolnik stress. A revival of economic dynamism is essential for addressing the climate and biodiversity crises. And, modeled by the new Schumpeterian growth theory, that revival will depend on mobilizing the complementary strengths of creative destruction among capitalist firms (markets) motivated in part by green social norms (civil society), on the ability of the state to direct innovation and enforce competition and regulation, and on new policies to democratize access to innovation.<sup>10</sup>

Our synergy simplex does not show how an expanded community of fate might be created. But it does provide a language and roadmap for researching and debating the alternatives, a process that Levi and Ugolnik (and the moral political economy project they lead) have so fruitfully launched.

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#### AUTHORS' NOTE

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ENDNOTES

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- <sup>2</sup> Aristotle, *Nicomachean Ethics*, trans. Martin Ostwald (Indianapolis: Bobbs-Merrill, 1962), 103.
- <sup>3</sup> Confucius, *The Analects of Confucius*, trans. Burton Watson (New York: Columbia University Press, 2007), 20.
- <sup>4</sup> Margaret Levi, “An Expanded Community of Fate,” *Noema*, July 7, 2020, <https://www.noemamag.com/an-expanded-community-of-fate>.
- <sup>5</sup> Samuel Bowles and Wendy Carlin, “Shrinking Capitalism,” *American Economic Association, Papers and Proceedings* 110 (2020): 372–377, <http://doi.org/10.1257/pandp.20201001>; and Samuel Bowles and Wendy Carlin, “Shrinking Capitalism: Components of a New Political Economy Paradigm,” *Oxford Review of Economic Policy* 37 (4) (2021): 794–810, <https://doi.org/10.1093/oxrep/grab029>.
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- <sup>10</sup> Philippe Aghion and Peter Howitt, “A Model of Growth through Creative Destruction,” *Econometrica* 60 (2) (1992): 323–351, <https://doi.org/10.2307/2951599>. For a recent and nontechnical treatment, including the application of our synergy simplex, see Philippe Aghion, Céline Antonin, and Simon Bunel, *The Power of Creative Destruction: Economic Upheaval and the Wealth of Nations* (Cambridge, Mass.: Harvard University Press, 2021). Schumpeterian growth theory recognizes the incentives for innovation arising from the temporary profits a first mover receives. Older technologies and management practices are rendered unprofitable by this process of creative destruction.

# Reimagining Political Economy Without “Yanking on a Thread before It’s Ready”

*Mariano-Florentino Cuéllar*

*The world urgently needs fresh thinking about political economy. Existing paradigms have largely run their course and failed to address lingering problems. The unprecedented changes since the Industrial Revolution have created serious challenges, even as living standards have improved in societies around the world. Some emerging interdisciplinary projects help address these challenges, but further progress will become harder as societies increasingly struggle to reconcile clashing goals. Scholars and policy-makers will be best positioned to draw actionable inferences from data and history and to make lasting contributions if they focus on the importance of policy experimentation and localized knowledge, systematic thinking about multiple timeframes, responding to the needs of people still living in crushing poverty, and humility about what any single intellectual or policy paradigm can accomplish.*

Political economy builds coherent narratives – both descriptive and normative – connecting our economic pursuits, our political lives, and our social realities. Today, these narratives play out on a vast canvas, limning such diverse and specific activities as buying and selling Shanghai real estate, modernizing the American nuclear arsenal, limiting tort actions against pharmaceutical producers, and organizing a humanitarian response to floods affecting thirty million Pakistanis. Broader brushstrokes on the canvas depict vast improvements in South Korean living standards, Chile’s transformation into a modern economy, and California’s evolution into the most influential subnational region on the planet. From a greater distance, still broader themes emerge: the effects of the climate crisis on living standards in South Asia, or the continuing merging of human and machine decision-making epitomized by billions of smartphones in people’s pockets.

That canvas tells us something about why political economy defies easy understanding or alteration. It is daunting to even think about reimagining a subject defined by such complex, intertwined elements encompassing law, policy, institutions, norms, and technology. We often lack even a clear sense of the new imagery we might deploy, or the paints and brushes we could use to depict it. As Margaret Levi and Zachary Ugolnik suggest in their essay in this issue of *Dædalus*, what was

on the canvas before will often reemerge to bedevil reformers, as an artist’s penitenti sometimes return to the surface of their later work.<sup>1</sup>

At least we can understand the task better if we situate the canvas in the *longue duree* of Harriet Martineau’s generalized laws of progress and science, or even Charles Darwin’s reflections on the nature of species. Humans have been around for three hundred thousand years; the entire history of political economy is a mere moment in geological time. Most of that period reflects striking continuity: only in the last several thousand years have humans experienced substantial changes in material well-being, or, depending on how you measure it, only since the early 1800s.<sup>2</sup> Since then, the rate of change has accelerated enormously, stoking disruption and conflict even as global living standards on average have improved dramatically.

This longer view suggests that sometimes history does not rhyme – it ruptures. The unsteady and tumultuous aftermath of the rupture encompasses the fossil fuel–driven rise of modern industry, the ammonia-fed Green Revolution, the weapons used in global wars, the welfare state, and the calculating machines that underpin modern information networks. Political economy may have timeless elements of distributional conflict and sustainability, but its distinctive post-rupture, industrial-strength incarnation is limited to a tiny sliver of human history. The resulting mix of long-term dilemmas and recent disruptions makes it hardly surprising that understanding political economy is daunting, or that concepts such as citizenship and prosocial norms require periodic revision.

In this spirit, I take up some of the themes underlying the larger project of reimagining a political economy that Levi and Ugolnik describe in their essay, discussing the questions they raise and the vexed relationship between ideas and action.

**T**he road ahead poses formidable challenges. Those who would deploy political economy ought first to consider how best to learn from often-ambiguous data and historical experience before embracing comprehensive narratives serving up simple prescriptions to reform markets and political institutions. Particular choices about politics and policy, law, economics, and geopolitics should draw not just on normative theory or quantitative analysis with its heroic aspirations to isolate causal relations, but the rich textures and dappled realities of our world. They should be grounded in understanding of the particular, and the ability to build narratives across cases. The developmental trajectories of Chile, South Korea, and California, for example, illustrate the complex interplay of geopolitics, regime type, the role of social movements, and legal change in shaping the present. Drawing descriptive and normative insights about political economy from history requires subtlety, as does the translation of new political economic ideas into the particular institutional argots of places like Sacramento, Seoul, and Santiago.

Understanding context leads us to grasp how the micro-level foundations of political economy are still a work in progress. We must appreciate the similari-



ties and distinctions between, for instance, the free speech movement of the mid-1960s in Berkeley, the student protests that undermined the military dictatorship in South Korea in the 1960s, and the jumbled motivations and strategies that led to the 1988 referendum ending the Pinochet regime. We cannot reject the notion that humans can behave strategically, even as we interrogate the claim that all or most human behavior is strategic or rational. It would be foolish to think that sophisticated investors in financial markets face the same pressures, options, and dilemmas as (say) young people sorting through turbulent emotions about life, careers, status, desire, and romantic attachment. Viable macro-level depictions of the world must rest upon accounts of human behavior capacious enough to make sense of both bond-market dynamics and young peoples' contradictory efforts to make sense of the world. We do not need a single theory, but we do need more theorizing, perhaps even families of paradigms that each illuminate how specific features of human cognition map onto the complexity of an economy or an election.

The temptation to simplify for tractability's sake also afflicts our understanding of time: how we perceive our lives in its slipstream, and how we map its mysteries as we turn values into policy. As economist John Maynard Keynes bluntly put it, in the long run, we're all dead.<sup>3</sup> Shorter timeframes are easier for politicians to work in and analyze. They are more viable in shaping policy and outcomes and, sometimes, in promoting shared interests (people may be more or ironically sometimes less willing to make shared sacrifices if they feel the payoffs sooner). Still, reimagining a political economy around shared interests may especially benefit from attention to intergenerational commitments and sustainability.

Taking timeframes seriously means paying attention to the analytical and policy trade-offs of different time scales, and ensuring that people trying to reimagine political economy don't just talk past each other. It also means addressing important (perhaps even profound) questions about which timeframes matter most in human experience. Philosopher Derek Parfit usefully reminds us not to take for granted even the idea that individuals are truly the "same" people across time.<sup>4</sup> Parfit's insight helps us understand why legal arrangements are plagued by deep, recurring questions about timeframes' implications for classifying conduct and making sense of the human experience. How long does it really take for someone to "lie in wait" for premeditated murder? How often must conduct be repeated to constitute an illicit "pattern or practice," or "persecution" for asylum purposes? Institutions and intellectual processes that allow for more explicit dialogue and deliberation about relevant timeframes in different contexts – and across timeframes – may help.

**A**s history and analysis get clearer, the normative questions sometimes get harder. Often societies may find they cannot have their cake and eat it too, even in a thoughtfully reimagined political economy. These are pain-

ful tradeoffs: between desiderata such as vibrant civic life, well-being of workers, innovative solutions to societal problems, sustainability, and the prevention of official cruelty; or between greater participation, deliberation, and democratic legitimacy on one hand, and efficiency in addressing social welfare and geopolitical challenges on the other. Those demanding justice for past events, such as Native American and African American communities in the United States, human rights and democracy activists in South Korea and Chile, and Native Americans and Latinos in California, may find their claims in tension with present or future-focused infrastructure projects. Geopolitics may create stark choices between promoting robust democracy or promoting cooperation between countries with vastly different political systems. Such tensions are likely to be particularly acute in the middle of a sustainability and climate crisis.

**A**lthough ideas often lack a completely linear relationship to action, here are some tentative directions for law and policy consistent with these reflections. Sensible reform in political economy is not utopian. It requires flexibility in testing how best to translate broad insights into specific contexts (for example, a version of the “laboratories of democracy” idea that Louis Brandeis articulated and, in this volume, Jenna Bednar’s essay refers to), as well as the institutional forms respectful of localized knowledge and adaptation that James Scott recommends.<sup>5</sup> We should beware policy interventions and legal reforms that prioritize generalized, cross-cutting policy changes, and favor policies that may set bold directions but combine experimentation, reform, and continuous learning and adaptation.<sup>6</sup>

Efforts to reimagine political economy should also allow communities to deliberate thoughtfully about which timeframes matter and to whom, and to shape institutions with long time horizons, so that ideas and commitments in the present can help serve objectives meaningful to those in the future or the past. Such pluralism might be supported by robust philanthropic support for nonprofits with explicitly different time horizons, and planning agencies akin to Kim Stanley Robinson’s Ministry for the Future to represent different “chronological constituencies” without paralyzing policy-making.<sup>7</sup>

They should create space, too, for development-oriented priorities that take seriously the persistent and massive gaps in global welfare among the population of the planet, as well as concerns about values and human dignity stressed by the increasingly fraught geopolitical environment.

In a similar vein, societies need to build housing and storm drains, run schools, adjudicate disputes in a timely manner, and facilitate societal experiments while avoiding the routine imposition of far-reaching policies – to change the direction of a river, for example – that are enormously costly to reverse, even after societies learn enough to question their past priorities. People with localized knowledge

about how grand designs turn into housing, machines, parks, or procedures merit a seat at the table.

There are possible ways to do this, but there are obvious difficulties too. Consistency and analytical purity are alluring but risky, and in some cases genuinely unhelpful. Paradigms build connective tissue between scholars, civil society, policy-makers, business, and the general public. But we should beware the temptation to expect that any paradigm can map with perfect precision the elusive relationship between the intricacies of individual behavior and the staggering complexity of the settings in which we reconcile politics and economics. The neo-Keynesian orthodoxy (and its later intellectual antagonists and descendants, grounded in the more reductive framework of rational expectations) only dimly reflected Keynes's own style of thinking and living, which was too steeped in philosophy and too devoted to the aesthetic pursuits of his Bloomsbury set to be entirely sanguine about any simple depictions of human nature. Keynes's intellectual range, along with the aforementioned call for greater pluralism in thinking about time-frames, might inspire scholars and policy-makers to cultivate *families* of partially compatible paradigms rather than trying to replicate the epistemic imperialism of past master narratives.

Neither does the yearning for new and sustainable moral economies mean that all our goals will converge, or that we should abandon experimenting to mix incremental change with starker reforms where Frances Perkins moments arise.<sup>8</sup> The possibilities for reform may be greater than people have dared imagine, but building the right coalitions and ideas will take time.

Don't get impatient. Even if things are so tangled up you can't do anything, don't get desperate or blow a fuse and start yanking on one particular thread before it's ready to come undone. You have to realize it's going to be a long process and that you'll work on things slowly, one at a time.<sup>9</sup>

Sometimes reformers can just discard threadbare ideas that have outlived their value in our post-rupture history of breathless change. But to get this right, they also need the time, finesse, and tragic acknowledgment of difficult-to-reconcile goals that come from remembering that we have been at it for about three hundred thousand years.

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## ENDNOTES

- <sup>1</sup> Margaret Levi and Zachary Ugolnik, “Mobilizing in the Interest of Others,” *Dædalus* 152 (1) (Winter 2023): 7–18.
- <sup>2</sup> Jeffrey D. Sachs, *The Ages of Globalization: Geography, Technology, and Institutions* (New York: Columbia University Press, 2020), 5–7.
- <sup>3</sup> John Maynard Keynes, *A Tract on Monetary Reform* (Cambridge: Macmillan and Co., Limited, 1923), 80.
- <sup>4</sup> Derek Parfit, *Reasons and Persons* (Oxford: Oxford University Press, 1987).
- <sup>5</sup> “A single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country,” Justice Louis Brandeis, *New State Ice Co. v. Liebmann*, 285 U.S. 262 (1932). See Jenna Bednar, “Governance for Human Social Flourishing,” *Dædalus* 152 (1) (Winter 2023): 31–45; and James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, Conn.: Yale University Press, 1998).
- <sup>6</sup> Michael C. Dorf and Charles F. Sabel, “A Constitution of Democratic Experimentalism,” *Columbia Law Review* 98 (2) (1998): 267–473, <https://doi.org/10.2307/1123411>.
- <sup>7</sup> Kim Stanley Robinson, *The Ministry for the Future* (New York: Orbit Books, 2020).
- <sup>8</sup> “The Triangle Shirtwaist Factory fire was a terrible and highly publicized tragedy, but Perkins and her allies in the labor movement and in the state legislature (most importantly, Robert Wagner, Sr.) were ready. They immediately introduced and got passed workplace health and safety laws.” Margaret Levi, “Frances Perkins Was Ready!” *Social Science Space*, March 31, 2020, <https://www.socialsciencespace.com/2020/03/frances-perkins-was-ready>.
- <sup>9</sup> Haruki Murakami, *Norwegian Wood* (New York: Knopf Doubleday Publishing Group, 2010), 115.

# Governance for Human Social Flourishing

*Jenna Bednar*

*Government has become something that happens to us in service of the economy rather than a vehicle driven by us to realize what we can achieve together. To save the planet and live meaningful lives, we need to start seeing one another not as competitors but as collaborators working toward shared interests. In this essay, I propose a framework for human social flourishing to foster a public policy that rebuilds our connections and care for one another. It is based on four pillars – dignity, community, beauty, and sustainability – and emphasizes not just inclusiveness but participation, and highlights the importance of policy-making at the local level in the rebuilding of prosocial norms.*

By many aggregate measures, the human condition has improved spectacularly.<sup>1</sup> Life expectancy, GDP per capita, opportunities for self-expression, and the probability of not living in poverty have all surged over the last half century. This period of remarkable advances has scaffolded a neoliberal political economy that prizes self-reliance and prosperity. Yet for all of the successes produced by the prosperity frame, it has proven incapable of meeting the challenges of climate change and bungled a pandemic response, turning what might have been a moment to celebrate scientific achievement and human commitment to care for one another into a time of greater polarization and science skepticism. Racism persists and we are unable to lift people out of lives of despair.<sup>2</sup>

These failures call into question our focus on economic prosperity metrics like GDP and the constellation of institutions that supports that goal.<sup>3</sup> Economic prosperity has a far from perfect correlation with the less material and measurable goals that create meaningful lives: feeling needed by and belonging to a community, having purposeful work and agency in one's life, and having opportunities to feel satisfaction and joy.

By ignoring these other dimensions, the prosperity frame creates other harms. Its valuation of self-reliance subverts the human drive to mutualism.<sup>4</sup> It casts government as a grabbing hand instead of an engine for collective action. In downplaying the importance of our relationships with one another, it undermines the social norms that support democracy, capitalism, and other social institutions.



For these reasons, many now suggest that our political economy needs to expand its frame beyond economic growth to include collective flourishing. But what is flourishing, and what would it take to reorient our political economy to value it?

There exists no universal or straightforward definition of a meaningful life. A strength of the neoliberal paradigm is that as long as you can price things, you can exchange money or its equivalent for your heart's desire, and every heart can sing its own song. But there is no guarantee that what you can procure on the market is what makes your heart sing. And choice is not agency.

In this essay, I argue that flourishing requires an emphasis on community, human dignity, sustainability, and beauty. None of these can be priced and they are not straightforward to measure: community and dignity are emergent phenomena, and sustainability and beauty require collective commitments. Three of these themes can be found throughout this issue of *Dædalus*, for example, in Chloe Thurston's dissection of the housing crisis, in John Ahlquist's call for employers to respect their employees' broader needs, in the explicit and deliberate inclusivity called for by Grieve Chelwa, Darrick Hamilton, and Avi Green, and in Rebecca Henderson's call for corporations to be sustainability leaders.<sup>5</sup> The fourth, beauty, is unique to this essay.

I piece these threads together to create a general frame of flourishing. Because there are ten thousand ways to live a meaningful life, this frame does not pretend to prescribe the picture inside. But each thread does point to the second missing piece of the focus on prosperity: our relationships with one another. The impossibility of a universal vision, and the importance of collaborative connection to rebuild prosocial norms, means that supportive public policy needs to be local, enabling different communities to envision their own way forward. I sketch components of a research and policy agenda toward this aim.

**R**epairing the social fabric – the norms that sustain democracy and collective achievement – requires a vision that is both intimately interpersonal and thoroughly universal, encompassing both individual dignity and planetary sustainability. Dignity recenters our concern for justice and relations among individuals. Sustainability highlights the existential and universal threat of climate change. Efforts toward sustainability require shared purpose and trust. Dignity implies respect, agency, and belonging. Thus, we need community too: the reprioritization of healthy society and “place-making,” what urban planners call the creating of spaces where people interact, walk, and pause. And finally, community is enriched and made meaningful through beauty, embracing the human need for wonder and pleasure. In Aristotle's terms, it is *eudaimonia*, a political economy that prioritizes meaningful lives for all, not merely as individuals, but as interconnected, interdependent people.<sup>6</sup>

Dignity conveys our mutual worth. Humans need to feel a sense of purpose and belonging, to be seen as equally valued without being identical, to be appreciated despite and even because of our differences.<sup>7</sup> Humans have a need for dignity.<sup>8</sup>

Dignity begins with relational equality – in philosopher Elizabeth Anderson’s terms, putting people at the same level legally, socially, and morally – and then takes a step further, to erase barriers to participation and to value and respect one another’s agency.<sup>9</sup> In law, relational equality means not prioritizing one person over another. Socially, it is a welcoming mutual respect. Morally, it is the right and opportunity to be heard as well as the moral obligation to listen. Dignity is most clearly expressed when we include others in making decisions that affect our mutual interests.

Political and economic dignity means respecting and valuing the participation of all. Importantly, dignity is not satisfied merely by offering choice: choice is not the same as agency. Pursuing dignity requires developing people’s capacities to participate meaningfully, including providing quality public education.<sup>10</sup> In the private sector, it means stakeholder-driven decision-making. Equality, especially equality of opportunity, requires inclusion and integration.<sup>11</sup>

Dignity can be established – or undermined – in every form of social organization. Gross material inequity creates a barrier to social equity; redistribution of material resources can be necessary to restore or maintain social equity, but with care to prioritize social equity through participatory inclusiveness rather than pity. Aid agencies can patronize those they assist, or recognize their dignity.<sup>12</sup> In sum, dignity supports human agency through mutual respect, an awareness of shared fate and meaningful participation.

Sustainability is a precondition to flourishing. Once, working for a more just world was sufficient. Now, climate change has made sustainability a central concern. The planetary climate crisis is acute, felt globally and by every individual. No one seriously disputes that climate change is connected to human activity. What remains controversial is whether we have passed the tipping point where we cannot reverse the changes. Global compacts like the Paris Treaty and regular meetings like the United Nations Climate Change Conference aim to reduce emissions. But these global plans need support, need commitment.

Even if we could implement a single government plan, it would not save the earth, for the same reasons that no government can fully direct the economy. Climate change does not have a single effect, but ten thousand. It is not proceeding at one rate, but altering ecologies and environments in ways both slow and alarmingly fast. Human actions that reverse it will occur industry by industry, innovation by innovation, and community by community. One policy cannot fit all, even if one cause unites all.

Global prescriptions also often overlook the asymmetry in sacrifice and effect. Some countries, subpopulations, and localities have less capacity to meet policy goals, and they are often the very populations that are most vulnerable to the effects of climate change. Peering even more closely at the subnational level, we are more likely to perceive environmental injustice, whether in effect or in capacity to address climatic challenges.

A third problem with broad general regulation is that it removes individual agency, making people feel that their individual actions do not matter. They become spectators to a contest between regulation and a polluted climate, instead of adopting marginal behavioral changes that could make big differences in aggregate, like decarbonizing our homes and cars. If people do not feel involved, and if they feel that their local climate concerns are overlooked, they lose the will to support large-scale action.

Global plans stand the best chance of growing from the bottom up through local, focused actions meaningful to those who are making the sacrifice of changing their behavior, and where they can witness one another making those changes. These local achievements can then be leveraged to garner support for broader action as needed.

Here we see how tightly intertwined sustainability is with dignity. Sustainability requires us to entrust our fate to one another; dignity means that we take one another's input seriously. Striving for a world of human dignity widens the pathway to sustainability.

Community, the third pillar of human flourishing, promotes shared understanding and trust. It creates the potential for a whole that is more than its parts. Community is both social and physical. If a physical space is a community, it means something to the people collected within it. Urbanist Jane Jacobs understood the connection between spatial design and society, and economist Edward Glaeser reminds us that cities are people, not buildings.<sup>13</sup> Sociologist Eric Klinenberg's ode to public libraries and other spaces has sparked a national conversation about the relationship between public spaces – social infrastructure – and community health.<sup>14</sup> Municipal advocates argue that although place-making may seem more expensive, it is consistent with a longer view plan for economic growth, and one that is more likely to be stable.<sup>15</sup>

Social communities are apartment buildings, neighborhoods, teams: a set of people who are interconnected and known to one another. They may form spontaneously, as people recognize that they value something in common: a community of moms, political supporters, or school volunteers. Or they may be constructed, actively or passively: a department community, a neighborhood organization, a school cohort, a baseball team. They may persist or be ephemeral: standing associations with bylaws can become communities but those surrounding you in

a political protest can form a community for just a day, joined in shared effort, tending to one another's needs and sharing water and snacks, but never exchanging names. A structured organization may fail to support community in the sense invoked here. Members may be bound only by the rules and function of the organization, their interactions mere transactions conducted according to those rules.

In community spaces, we observe the behavior of strangers, people unknown to you but with whom you share at least one thing: you are there on the same day at the same time. It is a space that is somehow aligned with your identity, and because of that, you subconsciously recognize the other people sharing this space share this affinity. While sharing this space, you can observe the behavior of others, seeing whether the social norms that you thought were in place are still respected. You might witness a violation of a prosocial norm – perhaps you overhear a racist comment, see someone being impatient with a slow-moving elderly vendor, or injuring a freshly planted shrub with a careless step – and if no one else admonishes this norm violation, then you begin to wonder whether those norms still hold. Our communities, whether social or physical, are places where we learn a lot about what motivates others, and whether norms are intact.<sup>16</sup> Communities are places of belonging and central to the creation and maintenance of prosocial norms.

Public spaces can also show disdain. Artist Danicia Monét writes of how we can feel a sense of “unbelonging” in a place. Our built environments convey a message about who is included in a community: “Our public spaces, our built environments have been designed to condition us to understand who belongs (and who doesn't), who is valued and protected (and who isn't).”<sup>17</sup> Place-making needs to be inclusive: spaces should be designed by the communities they are for, appreciating who they might become. Again, we are reminded about the importance of inclusion for dignity, and of embracing diversity and local agency, here intertwined with the building of community space.

**B**eauty – a word that stands in for grace, delight, creativity, pleasure, and awe – is closely related to place-making and community, dignity, and sustainability. It is cultural expression, fine arts, urban design, and the words we say to one another. It conveys our narrative: it is how we tell our stories about ourselves, who we are, who we have been, and who we hope to be.

It may be natural or built or conceptual. Natural beauty inspires wonder. Well-designed spaces make people feel their own dignity, the meaningfulness of their interactions with others that occur within those spaces. When conceptual, as art, beauty doesn't change the world directly. But it can alter our perceptions of the world entirely.

A commitment to beauty reminds us that community can be embodied in a physical place. Those physical spaces should mean something to those who fre-

quent them. They are the places where connections are born and sustained, at many scales, from lobbies to libraries to cafés to public squares to national parks. The stately, beautiful Stockholm Public Library reminds people that they matter, that ideas matter too, and that knowledge belongs to and is created by the community. The many Carnegie Libraries spread across the United States did the same. And newer libraries are even more broadly welcoming, eschewing the intimidating Greek architecture in favor of welcoming airy spaces that reflect their surrounding neighborhood. Social infrastructure, even libraries seemingly designed for individual study, can build connections between people.

The health benefits and human affinity for natural beauty is well-documented.<sup>18</sup> Exposure to natural spaces promotes heightened cognition, well-being, calm, and prosociality.<sup>19</sup> The Japanese practice of forest bathing – taking a mindful walk in the woods – reduces stress.<sup>20</sup> The forest’s beauty catalyzed one of the greatest collaborative political agreements: the United Nations. When delegates from fifty-one nations gathered in San Francisco in 1945 to create the organization’s framework, they visited Muir Woods, a nearby redwood forest. Organizers hoped that the forest’s majesty as a “temple of peace,” where some trees were standing at the time of the signing of the Magna Carta, would inspire delegates to set aside their differences and short-term concerns to focus on how they might ensure peace for future generations.<sup>21</sup>

Whatever form it takes, beauty invites and conveys respect. It can strengthen a community and root us in history. It can inspire. It shapes our present, and our reaction to our present. It offers a vision for a better future. It reminds us that we are so much more to one another than transacting agents. Ultimately, it reminds us that we are human.

From this quick description of each of the sides of our flourishing frame, I have alluded to some important theoretical implications that affect how society might chart a path forward. First, law cannot instill dignity: the designation of rights is not sufficient to change people’s perceptions of one another and often not sufficient to change the way we treat one another. Second, awareness of climatic challenges is not sufficient to change people’s behaviors voluntarily, nor is it sufficient to create the political will to force behavioral change through law. Third, networks of people are not communities: they have connection, but no social investment in one another. Fourth, beauty, broadly defined, is not frivolous, but necessary for healthy human life, and so should not be reserved for those who are wealthy.

Each of these aspirations – dignity, sustainability, community, and beauty – demands an appreciation of the significance of our relationships to one another. And each is at least partially local in scope. That community might be local is intuitive. Beauty is experienced most viscerally not in a global abstract but physi-



cally, sensationally, connecting body and emotion. While rights are abstractable, at any scale, dignity is most acutely felt in close quarters, between humans across differences. And although climatic change is a global phenomenon, it is experienced locally in wildly varying ways. Commitment to action will arise through the common perception of the problem, and witnessing others who reconstruct their methods of living in sustainable ways.

Policy-making must be supported by community involvement. Norms cannot be conjured into existence by legislation, but well-considered policies can encourage prosocial norms by prioritizing aspirations that support flourishing. Those policies must be tuned to local circumstances, histories, beliefs, and social relationships. A social fabric is knit community by community.

**E**nvisioning a more just, sustainable, and inclusive future is an important first step. But what follows? How can we flip from a world of distrust to one of trust, from destructive competition to productive collaboration? How do we create a world of human social flourishing, where people recognize our need of one another, and work together as part of inclusive communities to protect our beautiful planet?

I have suggested that our current political economic systems and the goals they pursue are the problem. We are both self-interested and prosocial, but we currently construct lives, families, and meaning in a system that prizes maximizing GDP, a system that elevates self-interest over collective and common interest.

Changing the system requires reorienting ourselves and our aspirations toward collective interests: sustainability, beauty, community, and dignity. Building those systems is a chicken-and-egg problem. We need institutions and policies that promote flourishing. We also need prosocial behaviors to support them and make them meaningful. We cannot nudge our way toward dignity and sustainability. No amount of redesigning government forms will be sufficient to reverse climate change. And these manipulations only reinforce the sense that government is something that happens to us rather than with us.

How do we accomplish the magic trick of transforming NIMBY to YIMBY, so that prosocial policies succeed?<sup>22</sup> We must first see communities as more than real estate, as social spaces as well as physical places. Instead of basing decisions solely on economic costs and benefits, we can evaluate their consequences for community, sustainability, beauty, and human dignity. A new highway may look like a good investment until we realize that it divides and destroys a community and, with it, the dignity of residents, all while promoting energy use.

An emphasis on flourishing encourages a rethinking and reimagining of redistribution. Many progressives support material redistribution to alleviate inequality. Without a doubt, improved access to resources would improve financial resilience, enabling more people to weather financial disasters like the pandemic. But

redistribution alone cannot address the deeper problem that ails our society: a tattered social fabric. Redistribution sets us up as rivals, the haves against the have-nots, who bargain over transferred resources. The haves resent government as a taking hand. The beneficiaries receive material relief – a substantial need met, for sure – but in the current frame of individual responsibility, redistribution diminishes the social status of the beneficiaries. Redistribution and a secure social safety net are critical responsibilities of a democratic government, yet the government must do more than redistribute if it is to help us move to a more just and equitable society. It must help us to see one another as members of a community with shared goals and purposes, and not as rivals splitting up GDP. And so, a policy of heightened redistribution on its own might deepen our social problems by leaving the core premise of conventional political economy unchanged, where the future remains in the hands of the economically powerful.

We are deeply social. We crave to belong, to be needed, to take care of one another, and be cared for: to have dignity. Thus, our nonmaterial behavior is guided by social norms – by the expectations that we have about one another’s behavior.<sup>23</sup> These norms may be morally derived or socially expedient, or some mixture. Our views of right and wrong behavior may be guided by what we consider to be just, or what we perceive to be consistent with our role or identity, or what assignment of responsibilities will bring about collective benefit. We impose these expectations on others not through penalty of law, but instead, through social enforcement: the perks of positive society or the penalty of being shunned.

While we are motivated by both intrinsic and material incentives, if I believe that others care only about material outcomes, that they lack a moral compass or a sense of community, then I will question policies that encourage prosocial behavior. As economist Samuel Bowles makes clear, institutions that emphasize material incentives pit our egoist and social selves against one another; they shape our perception of others as rivals for resources. Even if we wanted to act more generously toward other people, if we believe they do not share those preferences, then we would abandon our community instincts. We, too, would act as if we were only motivated by material self-interest. The cycle is self-defeating.<sup>24</sup> Nonmarket institutions, such as labor unions, can build a more connected society, even bringing members to care about the welfare and dignity of strangers, with no direct tie to them or their interests. In this expanded “community of fate,” union members do not engage solely in a transactional effort for material gain; instead, they become part of a mission.<sup>25</sup>

Inclusive institutions, such as labor unions and community organizations, tap into their members’ sense of solidarity. They work when leaders articulate a vision, and the members believe that others share that vision. And so, while we might be tempted to meet the need for monumental transformation from the top down, coercive policy is counterproductive because it highlights the self-interest

we need to overcome if we are going to collaborate. That said, although laws can't engineer norms, they don't need to crowd out solidarity and squash agency. They can also encourage it.

To pivot from a worldview of rivalry and scarcity to one of collaboration and abundance, we need to develop stronger norms of trust, tolerance, and compromise. We must believe in the good faith of others, in the potential of working together, and recognize our mutual reliance, especially across differences. As noted, these beliefs and behaviors cannot be legislated into existence. They must diffuse socially.

That diffusion can be difficult. People do not adopt norms simply when they learn about them, or even if they recognize them as good ideas. Prosociality is as much a part of human behavior as selfishness, but it leaves one exposed and vulnerable to exploitation, while selfishness offers a protective shell. Sociologists Damon Centola and Michael Macy describe prosocial norms as “complex.” Overcoming uncertainty – about the norm's credibility, about whether others will also adopt it – requires more than one social contact, produced by complex contagions across the “wide bridges” of thick networks, with multiple connections and overlapping relationships.<sup>26</sup>

As part of a project on the science of collaboration, colleagues and I interviewed several dozen leaders from a broad variety of industries.<sup>27</sup> When we ask what makes collaboration successful, overwhelmingly respondents mention the importance of trust. To establish trust, people need opportunities to build relationships within the group, allowing them to go beyond shared goals and working together to discover that they care for one another and each member of the group feels valued. In this way, community leverages dignity, which in turn requires transforming transactions into meaningful interactions.

Political scientist Elinor Ostrom's pathbreaking work on community governance of common pool resources rejects top-down, formalized (and formulaic) governance: instead, members of a community collaborate to manage resources sustainably.<sup>28</sup> They need a sense of shared mission – to be a community of fate, in John Ahlquist and Margaret Levi's terms – but they also need to know one another's capacities, including times when some members might need a free pass to reduce their effort, perhaps because they are ill, perhaps because they are going through a rough patch. This kind of discretion requires trust, mutual understanding, and committed long-term relationships, where people know and care about one another. It requires being a community, not a network. The term “networks of fate” makes no sense. But a community of fate cannot scale indefinitely.

And so maybe we don't scale. Although counterintuitive, perhaps the most effective path toward dignity and sustainability is to work with and through the communities. Build dignity within and then up. Federalism – distributed and overlap-

ping authority – might be a model for the development and diffusion of complex contagions. Prosociality is easier among neighbors with whom we recognize common interests and mutual interdependence than among disconnected strangers.

Building from the bottom up is not the same as letting human nature run loose. One worry is that of “fortress federalism”: that federal arrangements will create islands of homogeneity that are hostile to outsiders. With a worldview of scarcity and rivalry, homogeneity is not neutral. Discrimination against an outgroup increases as the ingroup circles the wagons, preserving resources for its members.<sup>29</sup> Under fortress federalism, localities lose the benefits of diversity and cannot develop a sense of mutual understanding and universal interdependence.<sup>30</sup> It feeds polarization and compresses the idea space, so that society becomes less inventive at the system level.<sup>31</sup>

Designing the spaces for interaction matters. There is a rich literature in social psychology that describes characteristics of prejudice-reducing interactions, which can help us move toward prosociality and mutual reliance. Such interactions happen in spaces where groups have equal status, work together toward a common goal, and have institutional support to minimize the risk of mutual reliance.<sup>32</sup> These conditions have defied generalization, so that no formula exists. Every community’s needs and potentials differ, and so approaches must also differ, perhaps stymieing comparison and inferences.<sup>33</sup>

The work of reversing the vicious cycle of defensive self-interest and catalyzing solidarity begins at the local level. Cities are alive with possibility: they have the resources and diversity to think and act big, but the coherence of identity and space to make building a community of fate conceivable. Constructing communities that are inclusive, where people are welcomed, belong, and are needed across difference, may require some disruption. Global change cannot ignore the neighborhood, and perhaps needs to start with it. The path toward sustainability and dignity starts by diminishing intergroup rivalry, building bridges between fortresses of homogenous communities, and catalyzing communities of fate.

**P**ublic policy can play a critical role in supporting the development of the norms that build a community of fate. It ought to look beyond GDP as its North Star, and instead embrace the constellation that comprises social flourishing. No law can confer dignity or create community; these benefits can only come from the quality of our relationships. And so, governance ought to be both human-centered and humble, working with the public. Policies directed toward human social flourishing can repair our society, rebuild our sense of agency and belonging, reestablish our belief that each of us matters, and support our actions to save the planet.

This reorientation may require a new science of public policy. Inspirational examples abound: inventive, exciting experiments are building agency, promoting

prosociality, creating a path toward dignity and sustainability. Children's rights advocate Geoffrey Canada has sparked imaginations by demonstrating that fixing schools entails fixing communities. Chef José Andrés' humanitarian disaster relief organization World Central Kitchen doesn't parachute in food, but instead works with local chefs and members of affected communities to prepare food for one another: food that is familiar, comforting, soul-reviving, and thereby restoring agency, restoring hope.

Sociologist Hilary Cottam's transformation of the British welfare system turns aid into agency-restoration by building teams where recipients are the planners and captains of their own care. Her experiments demonstrate the possibility of building dignity for recipients and aid workers. Paris's Mayor Anne Hidalgo audaciously reconceived the most beautiful city in the world, banishing most cars, opening pedestrian and bicycle pathways, and prioritizing a plan where every Parisian – no matter how unfashionable their *arrondissement* – will have access to work, shopping, health care, schooling, recreation, natural areas, and culture within a fifteen-minute reach. The United States' new offices of environmental justice (one in the Justice Department, one in Health and Human Services) pair dignity and sustainability: even better, they promise to prioritize community agency with meaningful engagement. Framing documentation highlights community partners to identify concerns, and mitigate them with federal resources and assistance.<sup>34</sup>

Transformative, life-saving work can happen at a much smaller scale. Emergency room physician Eugenia Smith and her team at the University of Pennsylvania counter racial health disparities at the neighborhood level. Rather than focus exclusively on individual behaviors that affect health, they see individuals as part of a neighborhood. Seemingly mundane activities like trash pickup and the greening of empty lots reduce crime and improve the health of people in the neighborhood.<sup>35</sup> The American Academy of Arts and Sciences sponsored a two-year study of how to strengthen American democracy, concluding that democratic rebirth begins in communities. The authors recommended public investment in places and programs that would bring people together to collaborate over ends meaningful to them.<sup>36</sup>

Our diversity of interests and places means there exists no singular vision, no single public good or measure of well-being that suits us all. Rather than see this as inevitable gridlock, we should let these thousands of ways forward coexist. The social fabric of the ultimate public goods – sustainability, dignity, community, and beauty – is made by stitching together many smaller public goods, working within local communities, and letting each express their vision in their own beautiful way. And we must pause to listen, so as to build the trust that can extend our community of fate. The key is to include those affected in imagining and creating their own future, and to acknowledge and respect their work on behalf of one another.

As we work for a world of human dignity and sustainability, we cannot be naive. There is no magical fairy dust we can sprinkle to make people less fearful, less short-sighted, and hate one another less. Shouting and subtweeting will not save us either.

We are at a critical juncture and a moment of choice. We need a reorientation of our public policy and our political economy to make the economy serve society, and not the other way around. One of the best things that government can do is to work with the people, incubating those prosocial norms that can catalyze the switch from a downward social spiral to a flourishing society. Through decentralization and supporting social infrastructure, it can build spaces where prosocial norms can emerge. Through leadership, consistent prosocial messaging, and help to set expectations of what is possible, it can encourage people to act on those expectations. The act of rebuilding those connections, reprioritizing them, will help us stitch back together our social fabric and revive the norms that make democracy and the rule of law work, ensuring progress toward dignity and saving the life-giving beauty of the planet we all call home.

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#### ABOUT THE AUTHOR

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# All (Cautiously) Hail– and Scale–Community!

*Prerna Singh*

*In her essay, Jenna Bednar makes a powerful case and sets out a persuasive framework for refocusing public policy away from the market toward “human flourishing.” In this response, I build on one of the pillars of her framework – community – to showcase its potential to promote human flourishing at scale. I show how communities can promote human flourishing not just locally, but also at the national level. And yet, a focus on the progressive power of nationalism at once also cautions against the dangers inherent in the concept of community itself: that is, that all communities are necessarily bounded and unequal. In laying bare the exclusion and violence that communities can inflict on those beyond their boundaries, and/or down the ladder of “prototypicality,” nationalism is a dark, stark reminder for all communities, including at the local level, to be consistently vigilant to both their boundaries and gradations of belonging. The task that Bednar emphasizes of building mutuality and trust within communities must proceed apace with a commitment to both expanding and building healthy relations with those beyond their boundaries, and ensuring the web of solidarity encompasses all equally within the community.*

In her elegant essay, Jenna Bednar makes a powerful case for reorienting the focus of public policy away from the market toward “human flourishing.”<sup>1</sup> Yet her roadmap for this shift away from capitalist democracy is strengthened by a reflection on our travels within its (far too thin) moral avenues. Within the interstices of neoliberalism’s prioritization of economic development, almost all states have, albeit to starkly different degrees, instituted some combination of policies to promote human development, whether it be social insurance, health, housing, education, or provision of other types of public goods. What are the conditions under which such policies have been more successful, or less? An exploration of this question reinforces Bednar’s emphasis on community. But it also pushes past the guardrails of scale that she erects around it. Drawing on my own and other work, I show how this pillar of Bednar’s framework can support human flourishing not just locally, as she suggests, but also at the national level.

We swim in the dark, taken-for-granted waters of neoliberalism. Its (deeply flawed) underlying assumption of *homo economicus* not only elevates economic over social development as our collective goal, but also structures how we understand the workings of the limited “moral” policies that have been sustained within the belly of neoliberalism. The shadow of the rational-actor model looms over explanations for both the distinct but related dynamics – the institution of social policy and popular engagement with such policies – that together generate social development. Social policy, for example, is seen to follow “naturally” from linked, linear processes of modernization and rationalization, or to be enacted by interest-maximizing political leaders when it advances their pursuit of political power.<sup>2</sup> Popular compliance is similarly seen to be most effectively induced through extrinsic incentives, carrots or sticks, that modify individual cost-benefit calculations. The dominance of such theorizing has obscured how a range of moral motivations drive both the top-down and bottom-up routes to social development.

Bednar points to an especially fertile source of such motivations: a sense of community rooted in place. For Bednar, solidarity around a place is powerful but, or perhaps precisely because, it is limited in its scale. The potential of community to sustain human flourishing is necessarily local, and should be accepted as such. Yet such circumspection undermines the historic power of the most salient of political communities of our post-Westphalian times: the nation. Nationalism’s reputation has been tarnished by its historic association with projects of discrimination and destruction. Yet as a territorial solidarity that generates a spirit of “fraternity,” a feeling of “attachment” and “love,” it also has significant constructive potential.<sup>3</sup>

Nations answer a basic biological need for group living. They also fulfill a psychological need for community as a source of belonging and validation. In Bednar’s framework, community is the wellspring for dignity. Nationalism transforms political-administrative territories into homelands. This homey feeling – the sense that this is *my* country, *my* people – weaves a robust web of mutual obligations.<sup>4</sup> National solidarities forge, in John Ahlquist and Margaret Levi’s evocative terms, “an expanded community of fate.”<sup>5</sup> They prompt a shift from a literally self-centered focus on identity to a community-centered focus: from *me* to a broader *we*. This *we-ness* motivates elites and ordinary citizens alike to work for collective welfare.<sup>6</sup>

Political leaders bound by the ties of national solidarity have been shown to be more likely to prioritize social welfare.<sup>7</sup> National bonds forged during World War II motivated the passage of one of the most inclusive waves of welfare policies across Europe, including the founding of the United Kingdom’s National Health Service.<sup>8</sup> My own research has shown how inclusive subnational solidarities drove the institution of more progressive social welfare policies in India.<sup>9</sup> A similar dynamic has been delineated for Quebec and Scotland.<sup>10</sup>

Nationalism has also been shown to spur societal compliance with state policies. The institution of social policy is an essential but insufficient condition for human flourishing. The COVID-19 pandemic has foregrounded the critical importance of securing popular cooperation for the success of social initiatives. Public health policies – social distancing, quarantining, masking, or getting vaccinated – like other critical state interventions including taxation and military conscription are only as effective as the extent to which people come onboard. States have, through history, used various types of coercion to extract such compliance. Yet not only is coercion normatively problematic, it requires significant state capacities for surveillance and punishment, and yields varying, often limited gains and, even when effective, can provoke backlash and leave a trail of mistrust that can derail future state initiatives. Encouraging (quasi) voluntary popular compliance is as essential as it can be elusive.<sup>11</sup> A rich scholarship has moved past the preoccupation with rewards and punishments to showcase the moral reasons that encourage people to comply.<sup>12</sup> One powerful reason is the deep ethical obligations associated with membership in a shared national community. National loyalties have been shown to encourage people to vote, pay taxes, and volunteer for military service.<sup>13</sup> In my own forthcoming work, I show how differences in the strength of the affective bonds of nationhood explain variations in compliance with state vaccination policies in China and India in the mid-twentieth century.<sup>14</sup>

**A**nd yet, inasmuch as nationalism opens us to the possibilities of communities at scale, it also cautions against the dangers inherent in the concept itself: that all communities are necessarily bounded and unequal. Every in-group has an out-group; and within the in-group, more “prototypical” members sit above those with “second-class status.” For all its progressive potential, nationalism has historically laid bare, and continues to exemplify, the exclusion and violence that communities can inflict on those beyond their boundaries and/or down the ladder of prototypicality. Through this shadow, nationalism spotlights the need for all communities, including at the local level, to be consistently alert to and critically interrogate both the boundaries and gradations of belonging. Who does and, more importantly, does not belong to the community? And do all those who belong do so equally? It serves as a stark reminder that the task of building mutuality and trust within communities, which Bednar emphasizes, must proceed apace with a commitment both to expanding and building healthy relations with those beyond their boundaries, and to ensuring that the web of solidarity encompasses all equally within the community.

This is hard, necessarily unfinished work, but it is essential. We live in a world where nationalism is driving aggression and violence against ethnic minorities within and across national borders. Putin’s Russian nationalism has driven the brutal invasion of Ukraine. White nationalism and Hindu nationalism incubate



ecosystems of violence against African Americans in the United States and Muslims in India, respectively. And yet these are not inevitable fallouts of community, or even of nationalism. Extensive social psychological research shows that in-group love and out-group hate are not reciprocally related.<sup>15</sup> In-group positivity can be associated with out-group attitudes ranging from mild positivity, indifference, and contempt to, only under certain conditions, hostility.<sup>16</sup> Similarly, while no community is perfectly equal, some communities are less hierarchical than others. Even within nationalism, there are important historical examples of working to cultivate nonconflictual, if not necessarily noncompetitive relations with outsiders, and commitments to multiculturalism that seek to include minorities on equal footing.<sup>17</sup> Inasmuch as it showcases the scalable power of communities, nationalism thus equally alerts us to the fullness of the labor entailed in (safely) harnessing their potential.

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#### ABOUT THE AUTHOR

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#### ENDNOTES

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# Power to Pursue Happiness

*Joseph Kennedy III*

*The Declaration of Independence lists the “pursuit of Happiness” as one of the rights that government is duty-bound to protect. Yet in the United States, decades of conservative and neoliberal policies have made that right illusory for far too many. By several metrics – economic inequality, life expectancy, and the alarming growth in so-called deaths of despair – it has become clear that the government has failed to provide most Americans with a basic level of security, much less with the chance to pursue lives of meaning and connectedness. A major reason for this failure is the distortion of the American political system, which is increasingly beholden to a small minority. We need a renaissance of civic engagement and local activism to challenge the systemic barriers to well-being, restore our democracy, and make our government attentive to public happiness in all its dimensions.*

“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.”

Few passages are more deeply ingrained in the American consciousness than the preamble to the Declaration of Independence. Because the words are so familiar – memorized by schoolchildren, recited by citizens on the Fourth of July, invoked by politicians at every turn – we seldom pause to consider their deeper meaning, especially the radical significance of that final phrase: the pursuit of happiness. Generations of Americans have shed blood in defense of our conceptions of life and liberty, while the pursuit of happiness has seldom stood alone as a rallying cry for our armies, our social movements, or our history-making moments.

And yet the Declaration of Independence is unequivocal. It enshrines the pursuit of happiness as one of the rights that government is duty-bound to protect. Unfortunately, in recent decades, our political choices have rendered the pursuit of happiness a luxury, instead of the birthright proclaimed by the Declaration. Since the Reagan administration, conservatives have redefined the pursuit of happiness as the pursuit of profit, convincing many that government is merely a barrier to that end. In response, Democrats have often been too quick to abandon

the party's foundational belief that an active government is a necessary counterweight to capitalism's inequities and abuses. The ensuing policies – privatization, deregulation, tax cuts, and means testing – have diverted an ever-larger share of our wealth to an ever-smaller segment of our population, leaving everyone else to fight over the scraps.

The consequences have been stark. Americans today are deeply unhappy. In 2019, the World Happiness Report registered a 6 percent decline in overall life satisfaction among Americans between 2007 and 2018.<sup>1</sup> In 2015, Americans' life expectancy fell for the first time in decades, and it did so again in 2016 and 2017.<sup>2</sup> Much of the decline was attributable to what economists Anne Case and Angus Deaton term "deaths of despair": suicides, drug overdoses, and fatal alcohol poisoning.<sup>3</sup> In the mid-1990s, the United States experienced about 69,000 deaths of despair annually; in 2017, the figure was 158,000.<sup>4</sup> In 2021 alone, nearly 108,000 Americans died of drug overdoses, a record level, and a 15 percent increase over the 2020 toll.<sup>5</sup> Although scholars debate the sources of this carnage, Case and Deaton trace it to the devastation wrought by decades of *laissez-faire* policies: "Destroy work, and, in the end, working-class life cannot survive."<sup>6</sup> It is as much a crisis of contributive justice – the idea that we each deserve to contribute to our communities – as it is one of economic justice, as depressed wages and vanishing jobs lead to feelings of futility and isolation.<sup>7</sup>

**T**he crises of inequality and social disintegration are not unique to America. But they are especially stark in the world's wealthiest nation, a nation that prides itself on democracy and pledges itself to an idea as optimistic and ambitious as true happiness. As Jenna Bednar observes, the COVID-19 pandemic has only underscored the United States' failure to assure the basic health, happiness, and well-being of most of its people.<sup>8</sup> In November 2020, almost 37,000 Americans died of SARS-CoV-2.<sup>9</sup> That same month, the Dow Jones reached an all-time high.<sup>10</sup> While large swaths of the economy went remote, so-called essential workers – disproportionately Black, Latino, and immigrant workers – faced a terrible choice: risk their lives in grocery stores and emergency rooms every day, or forfeit their already inadequate wages. It was not just the most economically vulnerable who suffered. The pandemic forced middle-class families to balance full-time work with full-time childcare. It strained our labyrinthine health care system to the breaking point, making it even harder for those with chronic conditions to get basic treatment. It ignited a mental health crisis among our youth.<sup>11</sup> And it sank small businesses in communities from coast to coast.

We know that the pandemic's fallout would have been far worse without government intervention at all levels.<sup>12</sup> To cite just one widely touted example, the American Rescue Plan included an expanded child tax credit, which kept 3.7 million children from being thrown into poverty.<sup>13</sup> That's an extraordinary achieve-

ment, both for the children spared the pains of scarcity, and for the parents who had just a little less to worry about. But Congress let the credit lapse after six months, casting it aside as an emergency measure no longer needed after vaccines became widely available.<sup>14</sup>

Therein lies the problem. It should not take a pandemic for Congress to pass a policy as beneficial as the child tax credit. A government fulfilling its duty to protect the pursuit of happiness would embrace a policy like the child tax credit as a commonsense obligation rather than a temporary tool for exceptional circumstances. Indeed, a government committed to protecting the pursuit of happiness would have implemented the credit before the pandemic, alongside other policies aimed at removing sources of unhappiness, such as poverty, sickness, hunger, homelessness, and oppression.

Without sufficient income, quality health care, adequate food, stable housing, and basic freedom, human beings cannot flourish – they can only endure. President Franklin Roosevelt made this point in 1936 when, recalling the vast inequities that preceded the Great Depression, he said, “For too many of us, life was no longer free; liberty no longer real; men could no longer follow the pursuit of happiness.”<sup>15</sup> What Roosevelt said of the United States in the early 1930s applies to the United States in the early 2020s. Once again, economic disparity has made the pursuit of happiness a mirage for too many Americans. And once again, government must step in. Decades of deregulation, privatization, and a threadbare safety net have shown that the market economy alone will not provide the security every person deserves. As Roosevelt understood, when the state acts to help those in need, it does not threaten liberty. It gives people the wherewithal to *exercise* their liberty.

Of course, meeting a person’s basic needs is only half the battle. To treat someone as merely a stomach to feed, a body to clothe, or as labor to hire is to treat them as less than fully human. Sadly, our competitive, market-dominated conception of happiness often diminishes people in just this way, regarding them as an input to be optimized rather than as living beings to be respected. Robert F. Kennedy eloquently described what this short-sightedness costs us. Speaking in 1968, he lamented policy-makers’ myopic tendency to measure national strength in terms of gross national product (GNP). GNP, he pointed out, measures bombs and bullets, but “does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials.” It measures everything “except that which makes life worthwhile.”<sup>16</sup>

If the Declaration of Independence is so explicit about the right to pursue happiness, why has our government failed to ensure a decent standard of living for all? Why has it focused so narrowly on the value a person creates, rather than on whether that person is free to live a life enriched by a sense of purpose, a nurturing community, equal justice, and the chance to enjoy natural and artistic beauty?



One of the major reasons is the concentration of power. As economic strength has become the chief metric of our government's success, our system has become more sensitive to the interests of those who own much than to the needs of those who own little. To be sure, American democracy has never been perfect. From its birth, it has been biased toward wealth and marred by institutionalized racism and sexism. In the twentieth century, however, we made significant strides toward a more inclusive republic through victories like the ratification of the Nineteenth Amendment and the passage of the Voting Rights Act.

But our work for a more perfect union is not complete, and today, it faces serious threats. As more Americans have won the rights of citizenship, those who have long held power have sought to grip it more tightly. We see this reaction in various forms: in the resurgence of voter suppression and White supremacy, which has renewed the old and ugly fight over who counts as an American; in widespread gerrymandering, which magnifies the power of some at the expense of others while encouraging partisan gridlock; and in the exploitation of the Electoral College and the undemocratic U.S. Senate, which have been deformed from guardrails against popular excesses into bulwarks against progress. Meanwhile, the Supreme Court has gutted the Voting Rights Act, washed its hands of any responsibility to address partisan gerrymandering, and blessed unfathomable levels of political spending, making it much harder to repair our ailing system.<sup>17</sup>

**T**he Declaration of Independence tells us that governments “deriv[e] their just powers from the consent of the governed.” But we have strayed dangerously far from this self-evident truth with disastrous consequences for Americans' happiness. As envisioned by the likes of James Madison, our system was designed to encourage compromises that would shape competing interests into broadly beneficial policies.<sup>18</sup> This ideal still holds power. During my four terms in Congress, I knew members of both parties who earnestly wanted to address the challenges confronting our nation. But because of the democratic decay I have described, they were trapped by a system that incentivizes performative politics and the maintenance of political power over collaboration and compromise.

As proud as I am of my service in Congress, my time there left me convinced that major changes are urgently needed, and that the momentum for those changes must come from outside the system. We cannot expect those who have worked so hard to consolidate their power to surrender it unilaterally, nor can we expect the government to legislate for all of us as long as its structures are warped to serve a few of us. Restoring a government of, by, and for the people requires an engaged and active populace that can access, pressure, and hold accountable the systems that shape their daily lives. That's why I have devoted my post-congressional life to building political power at the local level. I founded Groundwork Project to support people organizing for a more just and equitable future in communities

across the Plains, the Deep South, and Appalachia that do not often benefit from sustained investment in civic activism.

This kind of local civic engagement can be hard and thankless work. Americans would be well-justified to ask why they should fight to improve a government that has so often failed to fight for them. The answer is that our common happiness depends on it. As fellow citizens, our fates are intertwined. Inequality, democratic backsliding, climate change, a global pandemic: history tells us that some of us can escape the worst consequences of these challenges for some time, but none of us can escape them for all time. To truly secure human flourishing in America, we must set our nation on a different course. We must redirect our government's energies from the pursuit of profit for some to the pursuit of happiness for all. The Declaration tells us that we have the right to demand this change. Whether we have the will is up to us.

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# Caregiving in Philosophy, Biology & Political Economy

*Alison Gopnik*

*Caring for the young and the old, the fragile and the ill, is central to human thriving, and has played a fundamental role in human evolution. Yet care has been largely invisible in political economy and it does not fit the prevailing philosophical, political, and economic frameworks. Care typically emerges in the context of close personal relationships, and it is not well suited to either utilitarian or Kantian accounts of morality, or to “social contract” accounts of cooperation. Markets and states both have difficulty providing and supporting care, and as a result, care is overlooked and undervalued. I sketch alternative ways of thinking about the morality and politics of care and present alternative policies that could help support carers and those they care for.*

Love and care go together: parents caring for children (and vice versa), husbands and wives, friends and neighbors looking after each other. In fact, in her commentary, political scientist Anne-Marie Slaughter argues persuasively that care itself should be understood as a relationship rather than an activity.<sup>1</sup> But caregiving doesn't show up in economic measures like GDP. Instead, it has been relegated to the world of the private and personal, and especially the world of women, who have historically been responsible for much of the work of care.

Caregiving has also been neglected because it does not fit well into the standard conceptual frameworks of philosophy, politics, and economics. Traditional philosophical approaches to morality, whether they invoke utilitarian or Kantian principles, are universalist – they are designed to apply equally to everybody. But this is in tension with the characteristically specific and local relationships between carers and the people they care for.<sup>2</sup> In many cases, like caring for a dying or severely disabled child, the cost to the carers might seem to outweigh the benefit to the cared for, contradicting the utilitarian principle of the greatest good for the greatest number. And yet we continue to feel that such caring is morally exemplary. You can see this tension vividly, for example, in philosopher Peter Singer's controversial though consistent utilitarian arguments for euthanasia.<sup>3</sup> Caregiving also does not fit the Kantian view of universally binding categorical moral imperatives, like “do not lie.” You feel a moral imperative to care for the people close to

you, even at considerable cost to yourself, yet you might not feel that same imperative toward a person who has identical needs but has a different relationship to you.

We might try to stretch utilitarian or Kantian arguments to apply to caregiving. Perhaps feeling specific obligations to a dying child somehow increases overall utilities. Or perhaps we could rephrase the moral imperative to care for those you are close to as a universal obligation. But surely there is a philosophical Cinderella principle that if you have to stretch an idea that much, maybe you should look for a better fit.

Caregiving is also problematic for the “social contract” – the core principle that underpins modern political economy. The idea is that individual agents try to achieve their goals and, as economists say, “maximize their utilities,” but we can get better outcomes for everybody if people trade off their own interests and those of others. Philosophers, psychologists, political theorists, and even mathematicians and evolutionary biologists have explained human cooperation, altruism, and morality in this way.<sup>4</sup> There is good empirical evidence that this kind of reciprocal cooperation and negotiation is an important characteristic of human nature, in place even at a very early age.<sup>5</sup>

**M**arket economics and political democracy were the great inventions of liberal political economy, and you can think of them as a kind of software for implementing the social contract beyond small groups. In small-scale societies, these kinds of contractual negotiation and reciprocity are relatively easy to conduct and enforce. But markets and democracies expand the logic of individual social contracts to the scale of a city, a nation, or even a planet, with important benefits for everyone.

However, the close attachments that underpin so much care have a very different structure than contractual relationships. They do not demand reciprocity, even implicitly. When we care for and about another person, we are no longer just one individual agent with one set of values and interests that we can trade off with those of others. Instead, a parent or a child or a partner, or even a good friend, is a person whose self has been expanded to prioritize the values and interests of another. And this is not simply a matter of adding the goals of another to your own utilities. Caring means that we recognize the difference, even the conflict, between our goals and those of the person we care for, and yet act to help them get the resources they need to achieve those goals. This expansion of the self leads to more collective good, like the social contract, but it uses very different mechanisms to do so.

The social contract picture also assumes that agents are independent, autonomous, reciprocal decision-makers exchanging goods. But relationships of care are intrinsically asymmetrical. Almost by definition, the carer has capacities or re-

sources that the cared-for person does not. The morality of being a parent is about taking a creature who is not autonomous and cannot make their own decisions and turning them into one who can. The same is true, in a milder way, when we mentor a student or trainee. Tending the ill or the old also involves fundamental asymmetries between the carer and the person they care for. Think about a mother caring for a child with a severe disability, or a husband caring for his wife with Alzheimer's. Relationships like these are the most vivid examples of love, care, and commitment, precisely because they are so asymmetrical. And they also require a similarly delicate and difficult balance between taking responsibility for the welfare of another person and preserving their autonomy, a balance that is very different from the negotiations of the social contract. Someone who cares for a child or a patient or an aging parent has some responsibility for and authority over that person. But the carer also must respect the autonomy and independence of those they care for.

The contractual picture also assumes that goods are interchangeable. In fact, that exchangeability is one of the great secrets of the success of markets and democratic states: I can trade off what I want with what you want. But caring and commitment are intrinsically local. We cannot swap out one unit of care or commitment for another. We cannot outsource love or ship it across country.

And although care is local, it includes commitments that go far beyond biological kinship. We care for our friends, our students and patients, our colleagues and neighbors.

**E**ven when caregiving is professional rather than personal, it still maintains much of this character: a teacher or doctor or therapist is particularly responsible for the people they care for. During the early stages of the COVID-19 pandemic, the underpaid, overworked, eldercare workers in nursing homes often explained their heroism in terms of their relationship to specific people: *I couldn't abandon old Mr. Smith*. A home health care nurse I know describes shopping for food for particular patients and setting ratttraps in their rooms – actions that were not reimbursed by health insurance but just struck her as the obvious and necessary thing to do.

Professional caregivers also negotiate the balance between care and autonomy. A farmer or a carpenter or a writer can simply offer goods to customers, and those customers can decide to purchase if those goods fulfill their desires. But part of the job of a teacher or therapist is precisely to help the student or patient to formulate autonomous desires that may be very different from their own.

The neglect of caregiving in political economy is particularly striking because, from a biological perspective, caregiving is one of the most important and characteristic human activities. Caring for children is one of the most foundational kinds of care, and human childhood is twice as long as that of our closest primate



relatives. Chimpanzees produce as much food as they consume by the time they are seven years old. Even in forager cultures, humans are not self-sufficient until they are at least fifteen years old.<sup>6</sup> Humans also evolved to use a much wider array of caregivers than other great apes to look after these young: from early in human history, many people cared for each child. This group includes biological mothers, but also fathers, siblings, grandparents, and “alloparents,” adults who care for children to whom they are not biologically related.<sup>7</sup> And humans have also extended this caring beyond children to mates, elders, and others.

The brain mechanisms that underpin this widespread human caregiving have roots in our earlier mammalian evolutionary history. Biologists have contrasted the “life histories” of different species.<sup>8</sup> Some animals, like fish and insects, produce many young, and put little effort into caring for them. Mammals and birds, in contrast, produce far fewer young, but invest considerable time and energy in keeping those young alive and allowing them a more extended time to grow to adulthood. This longer and slower life history is associated with longer life spans, larger brains, and more reliance on flexibility and learning in general.<sup>9</sup> Humans are an extreme example of this high-investment/slow-life-history strategy.<sup>10</sup>

However, animals with this kind of life history face a caregiving dilemma. Mammalian mothers are locked in a profound conflict of utilities with their young: calories that go into milk for the baby are lost to the mother. But ensuring the survival of the young is essential for the ultimate reproductive success of mammals. The evolutionary solution to this dilemma involves a complex set of genetic, neural, and hormonal mechanisms that lead mothers to prioritize their babies’ needs over their own, and to extend their own interests to include another’s.<sup>11</sup>

Once these mechanisms were in place, they could be extended beyond biological mothers and babies to underpin other kinds of caring relationships. Prairie voles, for example, famously have caregiving “socially monogamous” fathers who are attached both to their young and to their mates, and care for them accordingly. Elegant experiments show that the genes and chemicals, such as oxytocin and vasopressin, that underpin this mate-care are very similar to those that underpin maternal care.<sup>12</sup> And there is evidence that similar mechanisms are involved in cooperation, trust, love, and care among social animals like carnivores and primates, beyond just mothers and mates. There is also evidence that these mechanisms are important in humans, and philosopher Patricia Churchland has argued that they underpin human moral intuitions.<sup>13</sup>

Significantly, although these mechanisms are evolutionarily rooted in biological kinship relationships, they are not restricted to those relationships. In humans as well as other animals, the very act of care itself engenders the relationships of attachment and love that underpin further care. In other animals, alloparents who take on care show the same physiological changes as biological mothers, and human fathers, grandparents, and alloparents show similar physiological changes

when they actively care for babies.<sup>14</sup> Those changes seem to influence the choice to continue as a carer. We don't care for others because we love them: we love them because we care for them.

**F**rom an evolutionary perspective, elderhood is also a distinctively human developmental period, and care for elders may also serve important evolutionary functions. Humans, along with a few cetaceans like orcas, are the only animals that systematically outlive their fertility. Female chimps rarely live much past fifty. But even in forager cultures, postmenopausal grandmothers can consistently survive an additional twenty years or so into their seventies, and older men do as well. The usual measures of life expectancy reflect the fact that, in the past, many more children died young. But if you made it past thirty, you could easily live till your seventies or later.<sup>15</sup>

This elder phase of our life history may serve a distinctive evolutionary function: elders are less engaged in finding mates or resources for themselves, but they are more involved in caring for others. There is empirical evidence that we characteristically become more generous and altruistic as we get older, passing on resources to the succeeding generation.<sup>16</sup> Grandmothers in particular provide a crucial additional source of care for children that allows the extended human childhood.<sup>17</sup>

In addition, humans are a distinctively cultural species, passing on information, technologies, and traditions from one generation to the next. Elders appear to play a particularly important role in that cultural transmission; they teach as well as care. For example, among foragers, the older hunters, who are less physically able but have more experience, serve as teachers for young children and teenagers, even though that means they are less productive themselves. The stronger and more able thirty-year-olds go off on their own and maximize the yield.<sup>18</sup> Interestingly, the orcas, who are one of the rare animals with postmenopausal females, also have an exceptional amount of cultural transmission, often led by those older grandmothers.<sup>19</sup> But relying on cultural transmission involves a trade-off. While living longer provides elders with more opportunities to accumulate wisdom that they can pass on to the next generation, it also means that they are more likely to require care themselves.

Of course, the fact that caregiving is biologically important does not guarantee that it should have a place in a moral political economy; aggression, hierarchy, and tribalism also have deep evolutionary roots. Thinking about morality in evolutionary terms inevitably raises a tension between causal and normative claims: explaining where moral intuitions come from is not the same as endorsing them. One way to approach this problem is through "reflective equilibrium."<sup>20</sup> We start with evolutionarily given moral intuitions. Those intuitions are themselves likely to be adaptive: they evolved to accomplish some functional goals. Both coopera-

tion and caregiving, for example, appear to have evolved precisely because they genuinely help to solve coordination and collective action problems. But we can also use reflection to consider and revise those intuitions in the light of our changing knowledge and circumstances.

Surely, caring for others is morally admirable and valuable if anything is. But at the same time, reflection points to a problem. The intense devotion that fuels our care for our own loved ones may translate into indifference or even hostility to the needs of people beyond our circle of attachments. This kind of caregiving is difficult to scale up beyond the proverbial village that it takes to raise a child.

Religious traditions have had more to say about love and care than political and economic traditions. The close relationships of care have served as a model for religious ideals, but those ideals scale up and expand care to a wider circle. Thomas Hobbes, the father of the social contract, enjoins us to negotiate a truce in the war of all against all, but Christ brings “a new commandment: love one another as I have loved you.”<sup>21</sup> The Madonna and child are a focus of meditation in Orthodox Christianity, and Islamic traditions emphasize the importance of filial piety. In Buddhist “metta” (“loving-kindness”) meditation practice, you begin by imagining the way you feel toward someone you love and gradually extend that feeling to strangers and even enemies. A Christ or a bodhisattva is supposed to feel the same way about everyone that a parent feels about a child.

The problem, of course, is that simply getting everybody to love everybody else is not a very realistic prescription for designing a political economy. Interestingly, Asian traditions of political philosophy have paid more attention to this problem than Western ones. For Confucian philosophers like Mengzi, morality starts with our feeling for our parents, siblings, or children, rather than with the reciprocal social contract. The philosophical challenge articulated in these traditions is how to expand these local feelings to the scale of a polity or an empire in the way that markets and states expand the social contract. That remains the problem for a modern political economy.

How could we fulfill Mengzi’s vision and expand the caring impulse to the large scale of a modern society? How could we integrate caregiving into a modern moral political economy without losing its distinctive character? Markets and states do not provide natural mechanisms for supporting care and encouraging love. In fact, we have a strong sense that it is morally wrong to treat close relationships like market commodities. But in a market-driven world, this means that instead, they are hidden away as part of a private, domestic sphere that is hard to measure or support. In a small-scale forager society, close personal ties helped ensure that resources would flow to caregivers. But in a big postindustrial society, getting resources becomes the business of each individual worker. Using those resources to support children, or elderly parents or a sick spouse or a friend, becomes simply one more kind of consumer spending. So, either parents and other carers must

forgo work, which means forgoing exactly the resources that you need to care for others, or else somehow find enough money out of their own salary to pay other people to take care of their dependents. Either way, this inevitably means that that care is undervalued. The pandemic made this invisible crisis of care into a vivid disaster.

But if the market does not naturally support care, neither does the state. There are many valuable goods, from security to health and education, that we do not leave to markets. Instead, democratic states pay trained professionals – soldiers or doctors or teachers – to provide these services equally to all their citizens. But this picture also does not apply well to many of the most important kinds of care. If caring for children were just a job, another kind of work, we might feel that experts ought to do it, rather than parents themselves. But there is something special about the relationship between parents and children, carers and those they care for. Parents have a special authority over, interest in, and responsibility for what happens to their children, and grown children have a special responsibility for elderly parents. And the same is true for partners and friends.

Of course, markets and states can and should contribute to caregiving. The United States in particular relies on private for-profit nursing homes and child-care centers. Arguably, those functions would be better served by state institutions: there is a strong case to be made for state supported universal childcare and eldercare. Notably, however, even when state institutions support care, we pretend they do not. We treat social security as if it was an insurance program individuals invest in rather than a program intrinsically designed to care for elders. Often, we treat care as an extension of medicine or education. Medicare will only cover long-term care for the elderly if there is a specific medical justification for that care. It is easier to get support for publicly financed childcare if you call it preschool or early childhood education. This reflects a tension between the idea that care itself (as opposed to medicine or education) should be provided by the state, and a sense that large impersonal state institutions should not replace the more personal relationships of care, though they may certainly supplement them.

**W**e can imagine an alternative policy agenda that would explicitly support, pay for, and encourage local caring relationships: an agenda to let love flourish. Caring for children is one area in which this agenda is currently being formulated and debated, often in ways that elide the usual left versus right distinctions.<sup>22</sup> One good way to help support care is to provide state-supported professionalized preschools or childcare centers. But another, and in some ways better, policy mechanism is to provide direct support to parents or other caregivers through family allowances or tax credits. These policies help children not only by providing more resources, but also by giving carers the option to cut down on paid work or forgo it altogether in favor of care. There is also consid-

erable evidence that these programs have long-lasting and wide-ranging positive effects on adult development, although you might also argue that providing care for children is an intrinsic good independent of its later effects.<sup>23</sup>

Moreover, although publicly supported childcare is often justified as an educational project – the very words preschool and early childhood education suggest as much – its long-term positive effects may have more to do with care itself than education. Interventions that provide early care often seems to have “sleeper effects.” Effects on purely educational outcomes like school test scores may fade after a few years, but there are longer lasting effects on such things as mental and physical health or incarceration. There is also considerable evidence that a lack of early care or nurturance has long-term negative effects on mental and physical health, and also that it alters life history, shortening the period of childhood.<sup>24</sup> Early care may provide a protected environment that allows a prolonged period of childhood learning and flexibility, rather than being a form of education that instills particular kinds of knowledge or skill.

We could support care for children both through state institutions and by directly supporting carers. But we could also extend the model of direct payments to other kinds of care. Caring for the ill or the elderly presents some of the same dilemmas as childcare but adds other complexities, particularly in contemporary societies. Elders have always both provided and required care. But the great improvements in health over the past few centuries mean that many more people survive into elderhood than in the past, and they may live into their nineties. For some elders, this is an extension of the care and teaching niche, but for others it becomes a time of increasing debility. Most people would prefer that elders could be looked after by family or friends at home rather than being placed in institutional care. This approach would also give elders a chance to provide care and teaching, as well as requiring care themselves. But, as in the case of childcare, potential carers must often choose between giving up paid work or somehow finding a way to pay others for care. We might extend family allowances and tax credits to other kinds of care, including care for elders, spouses, and even friends. These allowances would give carers the flexibility to cut down on work themselves or to put together combinations of private, public, and paid care.

Extending the institution of marriage is another possibility. Marriage is one of the few examples of a legal recognition of love and commitment, conferring both benefits and responsibilities and supporting care. Marriage is often justified by the way it supports commitments to children. It makes sense that children would do better with two committed caregivers than one, and the empirical literature suggests that children often do better with married parents. In the childcare debates, conservatives have regularly advocated encouraging marriage.<sup>25</sup>

But, in many ways, marriage is a strange way to ensure care for children. It is historically grounded in the sexual and romantic ties between men and women –

not exactly the most reliable or permanent form of commitment. The result is that severing those ties, in divorce, for example, makes caring for children problematic. Traditional marriage also assumes that biological mothers and fathers are the only people who are committed to caring for children. The success of gay marriages and families emphasizes the fact that commitments to children do not depend on biological conception. But, for humans, that has always been true – many adults, biologically related or not, help care for children.

The model of marriage could be extended to include both other carers and other kinds of care. Instead of assuming that commitments to a sexual partner will extend to a commitment to children, we could explicitly make the commitment to children the focus of a marriage-like institution. Committing yourself to a child could be both ritualized and legalized in a public ceremony, as marriage is. Such a commitment would continue until a child was independent, regardless of divorce or remarriage. It might be shared by future partners, or by other related or unrelated carers, as in the classic religious example of godparents.

Just as we might extend the model of marriage to other people who care for children, we might also extend it to other people who need care. Among siblings, one in particular often ends up taking responsibility for aging parents, and we could formally recognize and economically support that commitment. Or we could even just allow one friend to be officially committed to caring for another – an increasing number of people face illness or elderhood without family to help. In all these cases, the official caregiver commitment could come with both responsibilities and resources, and could be a kind of celebration too.

Finally, we could work to alter the physical environment to better support care. Close relationships of care are intrinsically local: they depend on being in the same place. But in contemporary life, people work in one place, children go to school in another, and elders are even further away, with long commutes in between. Once again, the pandemic exaggerated problems that were already there. But the pandemic also let us see that care and other kinds of work could happen in the same place, as they did for most of human history. If the industrial economy separated work and family, neighbors and friends, the postindustrial economy could allow us to bring them together again. Multigenerational housing is making a comeback, and it is no coincidence that the accessory dwelling units that are the focus of YIMBY housing reforms are more commonly known as granny flats.<sup>26</sup> Granny flats are an example of how we might design housing that both encourages close, local care and preserves autonomy. Innovative programs have also placed childcare and eldercare in close physical proximity, with benefits to both groups.<sup>27</sup>

In addition to these general principles, there are more specific examples of how we could encourage and support care. To take just one case, universal preschool programs require lots of caregivers. Some of those caregivers would be professionally trained teachers, but they could also include older people in the



community. You might have a designated “grandparent” for each classroom, an older person who could receive the equivalent of a Walmart salary. The grandparent would not be a teacher so much as a source of care and a keeper of cultural values and tradition, transmitting songs and stories. Putting together particular elders with a specific group of children would encourage the close local ties that underpin care in both directions.

Caregiving is complicated – philosophically, psychologically, and politically. But surely, care and commitment, love and loyalty are morally valuable if anything is. And they really do increase the collective good, even if they do it in a very different way than the social contract. Care has been overlooked and undervalued for far too long. It should instead be a centerpiece of a new moral political economy.

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#### ABOUT THE AUTHOR

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# Care Is a Relationship

*Anne-Marie Slaughter*

*Care, defined as caregiving, should be understood as a relationship rather than an activity: a relationship of nurture and development that imbues a set of actions, or “services,” with a positive impact on the person or being that is cared for. Valuing care as part of a new moral political economy will thus require figuring out how to value relationships apart from goods and services. Moreover, care is a relationship that is grounded more in identity than reciprocity: an expansion of the self to embrace the interests of others as one’s own. From this perspective, mutuality and solidarity are just as natural an expression of the human condition as reciprocity, proceeding from identity rather than individuation.*

**A**lison Gopnik succinctly captures the problem with care: it is “overlooked and undervalued.”<sup>1</sup> She explores a number of reasons why, elegantly outlining various ways that care simply does not fit with the universalizing principles of Western liberal philosophy or with the assumptions of reciprocity built into the Western concept of the social contract. That lack of fit is a problem for Margaret Levi and Zachary Ugolnik’s conception of a new moral political economy, as they identify the benefits that human beings derive from reciprocity and cooperation as one of the two core assumptions underlying the project and this issue of *Dædalus*.<sup>2</sup>

Care, as Gopnik lays out, is not usually based on reciprocity. Cultural expectations that parents will care for their children, and children will then care for their parents in their parents’ old age, make sense from an economic and social point of view, but the individual child who is cared for by their parents has no reason to honor the bargain by providing care in their parents’ hour of need. Nor will the provision of care by parents for grandparents bind the grandchildren to do the same for the parents.

More fundamentally, reciprocity does not capture the actual *feelings* that most people who choose to care for others experience. Gopnik argues that the care motivates the feelings instead of the feelings motivating the care, drawing on neurobiology findings that the activity of caring for another triggers biochemicals that in turn flood humans with feelings of love, tenderness, and bonding. This is an extraordinary and important claim, although I would suggest that the studies from neuroscience and evolutionary biology are simply too early to support such bold statements of causation.

Still, focusing on the emotion, the feeling, or perhaps simply the state of being that motivates care is essential. It challenges our entire understanding of what care actually *is*, which in turn opens up new realms of possibility for thinking about what a new moral political economy that fully valued care could look like.

Gopnik never actually defines care. She repeatedly grounds it in “close personal relationships;” as she writes, “love and care go together.” Similarly, she refers to “the close attachments that underpin so much care.”<sup>3</sup> Here the *actions* of care – actions can include feeding, dressing, bathing, toileting, driving, teaching, disciplining, comforting, guiding, and a host of others – are separate from but motivated by the *emotion* of care. Yet our language merges the two. To “care for” someone means both to feel love or affection for and to take a set of actions with regard to another person, animal, or plant.

For economic purposes, however, care comprises only the actions, without the emotion. In an economy that measures “goods and services,” many of those actions are services that take relatively little education or training to perform: services that a robot could provide, and in some cases, particularly in countries like Japan and France, already do. The wages paid for these services underline their presumed mechanical nature. A home health care aide or a childcare worker in the United States typically makes between \$9–\$10 an hour in states where minimum wage is lowest, to \$15–\$17 an hour in states where minimum wage is highest. The average dog walker in the United States makes roughly \$14 per hour.<sup>4</sup>

Suppose, however, as Hilary Cottam and I have argued, that we define care not as a service but a *relationship*.<sup>5</sup> Rather than Gopnik’s concept of a set of actions motivated by a relationship, it is the relationship itself that distinguishes “care” from a set of automatable services. A relationship is a sustained connection between two people; a caring relationship is a loving, affectionate, or at least respectful and considerate connection. That connection, in turn, satisfies a deep and inescapable human need, just as food or water does. So much of social science and policy is based on the abstraction of *homo economicus*, which captures only the self-interested, acquisitive, individual goal-setting side of human nature. A better point of departure is *sapiens integra*, a construction that reflects whole human beings, who yearn for connection and who “become who we are in relationship to others.”<sup>6</sup>

How to value that connection? Here we run into the danger of commodification; care has traditionally been described as a “labor of love” that must be beyond any price.<sup>7</sup> Yet we know that connections have huge value. What else do platforms like Facebook or LinkedIn enable? The phenomenon of a “network effect,” in which a good or service gains additional value as it gains more users, captures the value of breadth of connection. The value of care, on the other hand, replaces breadth with depth: the valence, duration, and strength of connection. Teaching, mentoring, guiding, therapy, ministry, and a host of other human relation-

ships now fall into the economic category of services, yet they are all relationships whose value to the people within them depends on the quality of the relationship.

These relationships must be sufficiently nourishing to generate human flourishing.<sup>8</sup> They lie at the core of what philanthropist and education policy analyst James Merisotis prescribes as a future of “human work”: work that “blends human traits such as compassion, empathy, and ethics with our developed human capabilities such as critical analysis, interpersonal communication, and creativity.”<sup>9</sup> The creation and measurement of value in our economy will be increasingly rooted in the quality and depth of relationships that computers can only simulate.

If the essence of care is a relationship, an emotional connection between two people, a further question arises: what motivates that relationship? One of the important points Gopnik makes is that care is *not* a relationship motivated by reciprocity, that all-important exchange that, as she notes, underpins the concepts of the social contract and the market as enablers of human well-being. Reciprocity assumes a measure of equality, so much so that contract law prohibits contracts made between adults and minors, or finds that contracts made as the result of undue influence, duress, or unequal bargaining power are unconscionable and hence unenforceable.

By contrast, Gopnik describes the relationship of care as “intrinsically asymmetrical.”<sup>10</sup> The person being cared for is dependent on the carer, so much so that good care requires the carer to create as much space as possible for autonomy: to encourage an infant, elder, or anyone who is permanently or temporarily disabled to “do it themselves.”<sup>11</sup> That dependence underpins a relationship closer to identity than reciprocity. Gopnik again: “a parent or a child or a partner, or even a good friend, is a person whose self has been expanded to prioritize the values and interests of another.”<sup>12</sup>

Gopnik describes a byproduct of caring as an “expansion of the self.”<sup>13</sup> That is exactly the way many biological mothers would describe a relationship of care that begins with pregnancy. For some period of weeks or months – roughly nine months if the pregnancy is carried to term – a woman’s selfhood is umbilically linked to the identity of her baby, an identity that carries through early infancy and can certainly include biological and nonbiological parents, grandparents, siblings, and others. Indeed, with a first child, women become mothers and men become fathers (in our current gender usage), a shift of identity that is surely as or more profound than shifts in professional identity (for example, from law student to lawyer, or associate to partner). At the other end of life, becoming a caregiver for your own parent inverts the relationship between parent and child, another shift in identity that begins to prepare us for the life passage of losing a parent and thus no longer being a child in at least someone’s eyes.

Conceptualizing care as a relationship of at least partial identity between the carer and cared for opens the door to a completely different logic of collective ac-



tion. Gopnik talks of the “expansion of the self,” but then describes a “person whose self has been expanded to prioritize the values and interests of another.”<sup>14</sup> Yet if the relationship between the “person” and “another” is truly one of *identity*, then how can we even conceptualize the possibility of competing values and interests, except to the extent that we all recognize that a single self has competing values and interests? There is no *other* in this formulation. The person is acting in their own self-interest because they have internalized another’s interests as their own.

Biology offers an answer to this seeming contradiction. As physicist and ecologist Fritjof Capra describes it, the semipermeable membranes between cells are “not boundaries of separation but boundaries of identity.”<sup>15</sup> They keep the cell distinct as an identifiable part of the whole but simultaneously connect it to the other cells, connections that it requires to survive and flourish. Just so, my identity as a family member – mother, wife, sister, daughter – means that I am both distinctly myself, with my own goals and interests, *and simultaneously* part of a larger entity that defines me and determines a different set of goals and interests that unite me with others.

This is surely a description of a “community of fate,” a concept developed by Margaret Levi and John Ahlquist that captures the solidarity of labor unions as something more than mutually beneficial reciprocal exchange.<sup>16</sup> Levi and Ugolnik understand this point; they note that although the concept of “community” in “community of fate” has “traditionally suggested boundaries; there are those who are in and those who are out,” it is “also a concept that captures solidarity, mutuality, and interdependence.”<sup>17</sup>

Yet now we return to the tension that Gopnik identifies with care: both solidarity and mutuality rest on a set of emotions that are not necessary for reciprocity. Imagine a spectrum that runs from reciprocity to interdependence, thus:

Reciprocity... Mutuality... Solidarity... (Asymmetrical) Interdependence

If we start with the logic of equal exchange, then each position on the spectrum, moving from left to right, might be distinguished by the declining equality of the material exchange that is nevertheless compensated for by an emotional benefit. Thus, an exchange based on mutual interest does not have to be precisely reciprocal, because of the sense of shared destiny (compare with Martin Luther King, Jr.’s “network of mutuality, tied in a single garment of destiny”).<sup>18</sup> An exchange based on solidarity is often likely to benefit others more than oneself, which is precisely why the feeling of solidarity is invoked. All of these are levels of interdependence; as Gopnik points out, any form of deeply asymmetrical interdependence would be at the far-right end of this spectrum.

Now consider a spectrum from reciprocity to identity.

Reciprocity... Mutuality... Solidarity... Identity

The variable that is changing here is not relative equality of exchange but rather the degree of separation between the entities doing the exchanging. We move from reciprocity (distinct beings with different goals and interests that can be exchanged), to mutuality (overlapping identity and shared interests), to solidarity (a sensation or emotion of unity), to complete identity, and hence an identity of interests that makes the idea of “exchange” tautological.

The articulation of a moral political economy based on degrees of identity and separation is far beyond the scope of this comment. It would require a different and far more pluralistic understanding of identity, one that could be very useful in an age of essentialist reductions to one political or social identity. We would start from the presumption that human beings are *simultaneously* separate from and connected to others, “social animals” that are nevertheless intentional, boundedly rational, and individuated.<sup>19</sup> We can also imagine ourselves as distinct – individuated? – parts of a larger whole, parts that are defined by our relationship to other parts as we together make up the whole.

Gopnik’s exploration of caregiving is both analytically and practically rich. She provides the basis for a fascinating set of policy proposals, including marriage-like rituals that would help individuals construct their own families based on commitments of care. A policy agenda, as she puts it, “to let love flourish.”<sup>20</sup> It is a tantalizing frame that can underpin both conservative and liberal political agendas.

On the material side, a host of questions remain. If Gopnik’s claim that “the very act of care itself engenders the relationships of attachment and love that underpin further care” proves to be right, then how do we insist that humans rather than robots perform those acts?<sup>21</sup> Alternatively, as I propose, we must find ways for government and private economists to measure the value not only of goods and services, but also of relationships, both positive and negative. An entire research agenda awaits.

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- <sup>8</sup> See Jenna Bednar, “Governance for Human Social Flourishing,” filmed February 2022 for the Dalai Lama Center for Ethics and Transformative Values (Center MIT), YouTube video, <https://www.youtube.com/watch?v=1zZmVpsYM4Y>; and Jenna Bednar, “Governance for Human Social Flourishing,” *Dædalus* 152 (1) (Winter 2023): 31–45.
- <sup>9</sup> James Merisotis, *Human Work in the Age of Smart Machines* (New York: RosettaBooks, 2020), xi.
- <sup>10</sup> Gopnik, “Caregiving in Philosophy, Biology & Political Economy,” 59.
- <sup>11</sup> Atul Gawande captures this idea in *Being Mortal*, quoting one of the founders of the concept of assisted living, Keren Brown Wilson: “We want autonomy for ourselves and safety for those we love. . . . Many of the things that we want for those we care about are things that we would adamantly oppose for ourselves because they would infringe upon our sense of self.” Atul Gawande, *Being Mortal: Medicine and What Matters in the End* (New York: Henry Holt, 2014), 106.
- <sup>12</sup> Gopnik, “Caregiving in Philosophy, Biology & Political Economy,” 59.
- <sup>13</sup> *Ibid.*
- <sup>14</sup> *Ibid.*
- <sup>15</sup> Fritjof Capra, “Living Networks,” in *Network Logic: Who Governs in an Interconnected World?* ed. Helen McCarthy, Paul Miller, and Paul Skidmore (London: Demos, 2004), 26.

<sup>16</sup> John S. Ahlquist and Margaret Levi, *In the Interests of Others: Organizations and Social Activism* (Princeton, N.J.: Princeton University Press, 2013).

<sup>17</sup> Levi and Ugolnik, "Mobilizing in the Interest of Others," 10.

<sup>18</sup> Martin Luther King, Jr., "Letter from Birmingham Jail," August 16, 1963, Martin Luther King, Jr. Papers Project, The Martin Luther King, Jr. Research and Education Institute, Stanford University, 2, [http://okra.stanford.edu/transcription/document\\_images/undecided/630416-019.pdf](http://okra.stanford.edu/transcription/document_images/undecided/630416-019.pdf).

<sup>19</sup> Levi and Ugolnik, "Mobilizing in the Interest of Others," 9.

<sup>20</sup> Gopnik, "Caregiving in Philosophy, Biology & Political Economy," 64.

<sup>21</sup> *Ibid.*, 61.

# Egalitarian Pluralism

*Steven M. Teles*

*Alison Gopnik makes a compelling case for care as a matter of social responsibility. A politics of care, however, must address who has the authority to determine the content of care, not just who pays for it. The most attractive ideological vision of a politics of care combines extensive redistribution with a pluralistic recognition of the many different arrangements through which care is provided.*

Alison Gopnik’s elegant essay for this volume grasps an essential challenge in liberal political economy, which is how to account for the fundamental and ubiquitous phenomenon of care within a political economy that prioritizes production and exchange.<sup>1</sup> I am in basic agreement with her essay. That said, I think care raises other tensions within liberalism, which I think are best understood as problems of authority.

There are two dimensions to the question of care at work in Gopnik’s essay, one on which she has a strong opinion – redistribution – and one on which the essay is ambivalent, which is what I will call *professional authority*. Even when care is provided in an intimate context – children being cared for by their parents, elders being cared for by their children – it still interacts with the rest of the political economy. Whether parents can actually care for children, for instance, is critically dependent on the structure of the labor market and the provision of social insurance. In a purely free market, she argues – and I agree – care will be undersupplied.

We do not need to go outside of the tradition of classical liberal political theory to understand why this undersupply is a problem. As far back as John Locke, liberals understood that the rational, contracting, “free” agents in their theory were an artifice, not something given by nature. As political scientist Rita Koganzon asserts in *Liberal States, Authoritarian Families*, the early moderns recognized this problem, but they argued, perhaps paradoxically to our contemporary ears, against a “logic of congruence” between the egalitarian state they hoped to produce and the nature of citizen-making.<sup>2</sup> Hierarchy in the family and schooling, they thought, was necessary to insulate children from influences that would make them overly subject to the opinions of others. Free citizens had somehow to be made, rather than just assumed.

It does not take much imagination to see how this might point to an argument for social insurance where care is concerned. A liberal society is impossible without liberal citizens, liberal citizens are produced through institutions of care, those

institutions will be systematically underproduced through market relations, and hence there is a social obligation to spread the costs of making citizens across the entire polity. From an argument like this, we get a liberal justification for redistribution to families.

While liberalism aspires to a political economy of equal, rational agents, however, it also recognizes that those citizens will have profound and basically irreconcilable differences on fundamental questions that are deeply implicated in care, which is inherently and unavoidably morally laden. What constitutes care as distinct from, say, abuse or exploitation is not immediately obvious. As Gopnik makes clear, “Tending the ill or the old also involves fundamental asymmetries between the carer and the person they care for.”<sup>3</sup> Calling the relationship “asymmetrical” is just another way of saying that it involves authority, rather than exchange. Given that authority is inherent in care, normative questions of who is doing the caring – for example, families versus professionals – have significant weight.

Combining redistribution and authority produces a politics that is inherently multidimensional. The first dimension, redistribution, is the one we are most used to grappling with in political economy, with the right calling for limited socialization of responsibility, and the left calling for a very significant degree of socialization. The second dimension concerns professional authority, with the left calling for a high degree of centralization and professionalization of authority characterized by a “logic of congruence,” and the right supporting a high level of diffusion of authority, opposition to professionalization, and a logic of incongruence. Table 1 presents an overview of each option.

The lower-left quadrant is roughly aligned with contemporary progressivism. On the redistributive dimension, it accepts that ordinary market relationships will lead to an undersupply of care, but it also claims that care is best provided by professional service providers whose treatments of the cared-for can be justified by best practices determined by licensed experts. It also seeks to professionalize care because devolving care to the family will reproduce a gendered distribution of domestic labor, which impacts power relations within the family.

In the lower-right quadrant, we find what I call *corporate productivism*. This approach accepts a social priority on professionalizing care, but primarily for the purpose of allowing the highest-skilled female workers to devote themselves to economic activity. As a consequence, corporate productivism is relatively low on the redistributive dimension, defraying the costs of professionalized care through the model of corporate benefits rather than through social insurance.

The upper-right quadrant is occupied by libertarianism. This approach to care is essentially individualistic, largely for reasons of first principles about legitimate redistribution. But libertarianism is also distinct because it rejects the professionalization of care (or wants it to be simply one option for the production of care that might be provided by the market).



Table 1  
Multidimensional Politics: Redistribution and Authority

		Degree of Socialization of Risk	
		HIGH	LOW
Degree of Professional Authority	LOW	REDISTRIBUTIVE PLURALISM	LIBERTARIANISM
	HIGH	PROGRESSIVISM	CORPORATE PRODUCTIVISM

Source: Table created by the author.

The final category, in the upper-left quadrant, is *redistributive pluralism*. Redistributive pluralists accept the arguments of Gopnik’s essay and believe that care will be undersupplied in the absence of effective social insurance. But they are deeply worried that socializing the costs of care will lead to the dominance of a logic of congruence embedded in professionalization, and thus seek to decentralize decisions about the character of care.

Redistributive pluralism is highly attractive morally, but I will focus here on its merits politically. Redistributive pluralists start their political analysis with the fact that the welfare state – like a political constitution – is an intergenerational compact. People make long-term commitments based on the welfare state’s promises, on everything from where to live and how many children to have to how to balance work and caring. Reliance on the welfare state depends on political stability, which requires a kind of overlapping political consensus in excess of normal, temporary legislative coalitions. While the larger culture war over the family and related issues cannot be simply wished away, redistributive pluralists argue for declaring as much of a truce as possible where the welfare state is concerned in order to generate a durable, overlapping consensus for redistribution.

The best example of the kinds of care programs supported by redistributive pluralists is a child benefit. Child benefits embody a recognition of the concentrated costs in the life cycle of raising children, and thus seek to spread those costs across society. But they are quite explicitly an alternative to state-provided,

professionalized childcare, which redistributive pluralists worry will embody a logic of congruence that they either reject or believe is politically unsustainable.

Redistributive pluralism will be unsatisfying for a great many people who seek a moral political economy of care. Libertarians and corporate productivists will flinch at the higher tax rates needed to support it. Progressives will wince at the willingness of redistributive pluralists to tolerate traditional forms of care and existing gendered distributions of domestic labor that they cannot stomach. But the strongest argument for redistributive pluralism as the philosophy of a moral political economy of care is that it has the potential to generate a political coalition sufficient to support greater investments in a context of intense cultural polarization. And maybe that is enough.

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#### ABOUT THE AUTHOR

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#### ENDNOTES

- <sup>1</sup> Alison Gopnik, “Caregiving in Philosophy, Biology & Political Economy,” *Dædalus* 152 (1) (Winter 2023): 58–69.
- <sup>2</sup> Rita Koganzon, *Liberal States, Authoritarian Families: Childhood and Education in Early Modern Thought* (New York: Oxford University Press, 2021).
- <sup>3</sup> Gopnik, “Caregiving in Philosophy, Biology & Political Economy,” 80.

# Biophilic Institutions: Building New Solidarities between the Economy & Nature

*Natasha Iskander & Nichola Lowe*

*Climate change and economic insecurity are the two most pressing challenges for modern humanity, and they are intimately linked: climate warming intensifies existing structural inequities, just as economic disparities worsen climate-induced suffering. Yet precisely because this economy-nature interrelationship is institutionalized, there exists an opening for alternative institutional configurations to take root. In this essay, we make the case for that institutional remaking to be biophilic, meaning it supports rather than undermines life and livelihood. This is not speculative thinking: biophilic institutions already exist in the here and now. Their existence provides an opportunity to learn how to remake institutions founded on solidarities of shared aliveness and a shared alliance with life that advance the premise that nature and the economy are not just intertwined but indistinguishable.*

Climate change and economic insecurity are the two most pressing challenges for modern humanity, and they are intimately linked: climate warming intensifies existing structural inequities, just as economic disparities worsen climate-induced suffering. But for this destructive pattern to persist, it requires constant institutional attention and reinforcement. In other words, institutional actions and actors must promote and defend practices that damage both the economy and nature, making those outcomes seem inevitable and necessary. Yet precisely because this economy-nature interrelationship is institutionalized, there exists an opening for alternative institutional configurations to take root.

In this essay, we make the case for that institutional remaking to be biophilic, meaning it supports rather than undermines life and livelihood. We are facing a future that is already being indelibly shaped by anthropogenic climate change. To confront the consequences of global warming on our societies and ecologies, the moral economy we envision will have to be built on institutional arrangements that are regenerative in form and thus act to counter those that intensify human and environmental suffering. This is not speculative thinking: biophilic institutions already exist in the here and now, offering insights for how to foster life-

affirming solidarities based on shared vulnerability, while also ensuring nature and the economy are not just intertwined but indistinguishable.

By “institutions,” we mean patterns of social engagement that sometimes solidify into norms, rules, policies, and roles. These patterns of interaction are contingent and always evolving as people respond to social, economic, and ecological conditions. But, for all their adaptiveness, they can also create enduring distributions of political power and enact obstacles to societal change that can appear immovable. The dominant institutions that structure and control local, national, and even global economies – and thus define patterns of political and economic practice – treat nature as a raw material for production and radically simplify the complex living systems that define ecologies down to natural resources for consumption. In doing so, these powerful institutions, especially those that provide the framework for contemporary markets, create and perpetuate an antagonism between nature and the economy, in which the protection of one causes damage to the other.<sup>1</sup> Whether it is claims by probusiness groups that environmental protection will lead to job loss, or the seemingly more progressive argument that poverty reduction is too important a goal to sacrifice economic growth through climate policies, these most influential institutions operate as if nature and the economy existed in a zero-sum game. But by assuming the costs and benefits of environmental protection are prescribed, they reinforce the problematic assumption that the interests of political actors are deeply rooted, even fixed.<sup>2</sup>

In the rare instances in which prominent institutions attempt to combine environmental and ecological logics – for example, “cap and trade” arrangements that give polluting organizations and corporations the option to pay for, rather than end, environmentally damaging practices – they subordinate one logic to the other: ecology under economy.<sup>3</sup> We see this visibility with pricing schemes and commodification of environmental resources, as well as with the centering of profit-making objectives (including accepting the expectation of high returns by financial investors) in the selection of environmental responses, solutions, and technologies.<sup>4</sup>

The observation that mainstream institutions create and perpetuate a hierarchy that places the requirements of maintaining the economy above the protection of nature informs the numerous and amplifying critiques of the economic and social systems that have caused climate change.<sup>5</sup> Many use this insight as a starting point to argue for system-wide institutional dismantling. But we see a pathway for change that runs through established institutions, acknowledging they are a vehicle for political transformation.

Our call for institutional change starts with the observation that institutions, as social processes, are always subject to political reworking. We draw inspira-

tion from political scientists Gerald Berk and Dennis Galvan's characterization of institutions as "always-decomposable resources, rearranged and redeployed as a result of action itself."<sup>6</sup> With that reframing, institutions are neither static nor are they easily reduced to a set of practices and expectations that are repeated and rehearsed over and over again. Rather, institutions result from creative and lived processes, always open to reinterpretation and reconfiguration.<sup>7</sup> Even their appearance of solidity and immovability is a product of contingent interpretation, backed in many cases by vested interests that benefit from a certain set of institutional patterns. Claims that measures to protect the environment are costly and produce market distortions that undermine economic growth are invoked to defend the business interests of polluting industry, most brazenly fossil fuel extraction. But this same interpretative quality means institutions offer both the resources and the setting for coalitions and movements to push back on attempts to privilege the needs of the economy over nature. They are the field and the medium for political actions to reverse economic and social inequality, to reconcile nature and the economy, and to foster life-affirming biophilic objectives.

**W**e use biophilic literally: *bio* meaning *life* joins *philia*, which denotes a particular kind of love. *Philia* refers to a profound altruistic care and affection, based on mutuality, in which the well-being of self is indistinguishable from the well-being of the other.<sup>8</sup> Thus, our use of biophilia expresses the aspiration for political and institutional solidarities built around a shared aliveness and a shared alliance with life.

Biophilic is not a new term. Coined by psychologist Erich Fromm in the 1960s, it was initially used to describe the human drive toward self-preservation and the resulting affinity for life and life-like processes.<sup>9</sup> Since then, the term has been taken up by theorists in disciplines ranging from evolutionary biology, psychology, architecture and design, and urban planning, applied in diverse contexts to indicate an emotional and psychic affinity by humankind to frequent interaction with nature.<sup>10</sup>

Existing proposals for supporting a biophilic life offer a promising start for institutional reimagination insofar as they recognize and rejoice the value of sustained earthly protection for human existence and flourishing. But where they often fall short is with their narrow conception of the economy, which gets reduced in their critiques to a singular form that reinforces a top-heavy economic ordering. Not only are the plans that have been forwarded to reverse course so totalizing that they become paralyzing, including calls for revolutionary overthrow, they have also given rise to calls for antidemocratic and socially hierarchical interventions to implement them.<sup>11</sup> Worse still, some early proponents of biophilia have applied the concept in support of pseudobiological assertions that racial differences are reflected in and reinforced through an affinity for or aversion to nature.<sup>12</sup> Modern applications of the concept sometimes carry forth the idea embedded in that racist legacy that

the project of defining the future should be reserved for racial, economic, or political elites. These variants of eco-authoritarianism, as sociologist Damian White and others call them, use the imperative of environmental protection to harden economic inequalities, to exclude broad constituencies and even nations and regions from deliberations over economic futures, and to impose a political system in which the imaginaries of a powerful few override the aspirations of the rest.<sup>13</sup>

In our use, we explicitly break from this legacy and reclaim the term to pivot toward a democratic, just, and open process of institutional remaking where the needs of the economy and nature are not just co-equal but are impossible to separate. This reinterpretation requires a pragmatic and more granular approach that looks for ways to reorient existing institutional practices and relationships to favor solidarity in life. Borrowing the words of anthropologist Anna Tsing, institutional transformation requires that we first “look around rather than ahead.”<sup>14</sup>

In looking around, we start by considering what is preventing or stopping many contemporary institutions from being biophilic. This practice leads us to institutions that shape work and the lived experience of workers in the capitalist economy.<sup>15</sup> After all, we create the economy through our work, and our economy relies on our aliveness as workers – as thinking, responding, and thriving beings that make the world through our actions. Our focus on work and workers draws our attention to three institutional tendencies that threaten life: the abstraction and simplification of labor processes, the disregard for economic equity and justice, and the representation of workers as solely economic and alienable from their natural environment.

Resolving these barriers to biophilic politics requires us to break the stalemate between environmentalists and economists, by recognizing that nature and the economy move together. But to do this work, we also need to reach beyond environmental and economic protection in the abstract, and take stock of the ways that specific institutional practices and relationships can be remolded to favor life *and* livelihood in the present moment.

With this focus, it becomes possible to envision how to reverse life-threatening institutional patterns and orient them toward biophilic goals. As a counter-movement to the three institutional tendencies to divide the economy from nature and undermine their potential to thrive together, we suggest three tangible features of biophilic institutions from which to inspire further action: shared materiality of economic and ecological processes; attention to economic equity and justice; and the cultivation of solidarity based on shared aliveness, with attention to both the resilience and precarity inherent in being alive.

**A**ction to build and strengthen biophilic institutions requires us to see climate damage, at its most basic, as the rawest manifestation of inequality. The warming of our planet and the concentration of wealth are both prod-



ucts of an economic logic that reduces humans and nature to resources for production and investment. The distributional effects of this logic are well-known.<sup>16</sup> Countries of the Global North have reaped the economic rewards of fossil fuel-driven industrialization, while the countries of the Global South, which have contributed little historically to global carbon emissions, disproportionately suffer the burden of climate damage.<sup>17</sup> The economically and racially marginalized across countries are most exposed to pollution and climate damage.<sup>18</sup> Across the globe, the world's wealthy drive climate change, with the wealthiest 10 percent responsible for half of global emissions.<sup>19</sup> The role of institutions in magnifying the unequal allocation of the costs of climate change, across space and class, has been front and center in global and local policy debates.

The fact that exposure to climate damage and the costs of climate change bear down most heavily on the poorest and most marginalized is not an unfortunate byproduct of unequal economic systems, nor is it a fateful and tragic outcome of geographical concentration of global warming in regions with the fewest financial and ecological resources to adapt, such as South Asia and swathes of North and sub-Saharan Africa. Rather, it is a direct consequence of institutional patterns, deliberately practiced and enforced, to promote and protect economic activity that is extractive. The overlay between income inequality, poverty, and climate damage demonstrates that the institutions designed to structure our economies make no real distinction between the exploitation of persons and the exploitation of ecological systems – no political difference between the extraction of wealth from people and from the earth.

But as a result, the institutional processes that most amplify this inequality, where the conflation between ecological and economic extraction are pronounced, paradoxically display the most potential for biophilic revisioning. In contexts around the world, climate damage itself is being eyed as a business resource that can be used to increase profits and accelerate production.<sup>20</sup> Because they increasingly tie economic pain and environmental damage together, institutions that enable economic actors to capitalize on the inequitable distribution of climate costs may offer the richest terrain for biophilic reimaging of institutions to support life and livelihoods across the divide that splits the economy from nature.

This connection is most consequential and fundamental when it targets workers. Climate damage, in the form of slow-moving ecological change and fast-moving extreme weather, has pushed people out of their homes and off their land, and has eviscerated livelihoods and savings. Increasingly, economic actors have looked to this dislocation and the resulting economic precarity as a source of workers who can be hired at lower wages and under more exploitative conditions.<sup>21</sup> At the same time, many of their business practices, from natural resource extraction to energy use and pollution, have caused environmental damage that has made

people and places even more vulnerable to the effects of climate change.<sup>22</sup> These practices come together in a closed loop: climate damage leads to dislocation and livelihood destruction, which profiteering actors turn to as a source of exploitable labor that they use for production practices that are destructive to workers and ecologies.<sup>23</sup>

These outcomes are not accidents of fate or the unfortunate products of the extractive logic built into economic institutions. They are the product of institutional processes that business owners enact to exploit workers and ecologies for their own profit and advancement. But in drawing the relationship between the economy and nature so close, these institutionalized processes become a transformative resource for strengthening collective action that uses the same interdependency of people and the environment to foster the well-being of both.

To make the case for institutional remaking more tangible, we turn to the work of rebuilding communities after they have been decimated by the major climate disasters that now sweep through cities and towns in the United States each year. The destruction left behind after hurricanes, massive floods, or drought-fueled wildfires has intensified in recent years, as global warming increases the force and frequency of extreme weather events. According to the National Centers for Environmental Information, the cost in 2021 alone from twenty major events in the United States totaled \$145 billion, the third most costly year in recorded U.S. history after 2017 and 2005. Another record-setting year, 2020, saw twenty-two major events, including severe storms that cut paths through the built environment in both summer and winter, as well as untamable wildfires that ravaged communities throughout the West, one of which burned an area the size of Rhode Island.<sup>24</sup>

In addition to human suffering and the loss of life, each of these catastrophic events visits damage and destruction on our built environment. Before buildings can be repaired, replaced, or even assessed, the wreckage must be cleared. Sodden and charred materials must first be removed and hauled away. Buckled walls and caved-in structures must be dismantled and disposed. This work is difficult and dangerous, often exposing those doing it to harmful and noxious substances: toxic sludge, asbestos, fiberglass, mold, flesh-eating bacteria, a laundry list of carcinogenic chemicals, and since early 2020, an elevated risk of catching COVID-19.<sup>25</sup>

In disaster recovery, damage to the climate and damage to workers come together through institutional structures that enable exploitation and amplify inequality. The work of disaster-clearing is done mostly by immigrant workers, many of whom are undocumented. *New Yorker* journalist Sarah Stillman has been following these migrant work crews for several years, and describes disaster-response workers as transitory, moving from one hard-hit community to the next,

recruited in spot labor markets that converge in the wake of extreme weather disasters.<sup>26</sup> The companies that recruit them are part of a vertical contracting structure that concentrates wealth in the hands of extremely powerful corporations, all the while intensifying worker vulnerability at the bottom of the labor market. At the pinnacle are a handful of highly profitable companies, made more profitable each year with the increase of climate disasters. Their market power is the outcome of years of consolidations, which have been backed by private equity investments and bolstered by guaranteed access to lucrative federal contracts managed by the Federal Emergency Management Agency (FEMA) and other emergency response agencies. Below this top rank are layers and layers of subcontractors, with labor brokers buried deep in the pile whose primary role is to recruit and transport new immigrants, often under the false pretense they will secure good pay and steady work. More often than not, the jobs they are offered are poor quality and low paying, some not paying at all.<sup>27</sup>

This top-down structure is not unique to disaster clean-up and is reflective of the institutional trends that have undermined the position of labor in the building industry, where disaster restoration most aligns. Building trades unions in the U.S. construction industry have been eviscerated over the past thirty years, and with their decline, job quality, employment stability, and wages in the industry have eroded markedly.<sup>28</sup>

But climate change accentuates these patterns because the increasingly big business of disaster recovery is unpredictable. The jobs follow hurricanes, fires, and tornadoes, and are always moving in ways that are impossible to fully anticipate. Workers are rarely in any place long enough to forge connections with place-based institutions, like unions. Far from home, they are lodged, often by their employers, who frequently limit their access to basic and protective services, like health care and legal assistance. The subcontractors who hire them are as erratic as the extreme weather events that the industry responds to. They are often fly-by-night operations that exist only as long as the reconstruction does, and disappear to dodge worker demands.

Just like the U.S. construction industry as a whole, the disaster clean-up relies heavily on migrant workers, but the industry's business model directly exploits the regulatory structures and enforcement policies of the national immigration system. In an industry practice that appears disturbingly widespread, unscrupulous labor subcontractors hold their immigrant workforce hostage, threatening deportation if workers submit legal claims against wage-theft or abuse. The upfront risk borne by immigrant workers – including payments to cross-border human traffickers that can be as high as \$30,000 – further silences the workforce. Too much is on the line for them and their families financially to risk speaking up. Many in this migrant workforce face few alternatives back home, some choosing to migrate because their communities of origin are also suffering from climate

damage effects. Droughts, floods, and storms strain livelihoods and sometimes conjoin with other political and economic pressures to make migration the only viable option.<sup>29</sup> Thus, the disaster-response business creates an institutional loop that yokes nature to the economy, in which migrants displaced by climate change work under exploitative and physically injurious conditions to repair the damage of climate disasters so that other communities, wealthier and with greater access to institutional resources, can rebuild.

And yet, even in this tangle of institutions that foster the joint exploitation of people and planet, we can find threads of biophilic institutional practice that run in the other direction, linking the economy and nature in ways that protect life. Stillman's reporting on disaster construction features a nonprofit called Resilience Force that organizes "resilience workers." Resilience Force advocates for policy change in the industry and prosecutes cases to hold employers accountable for wage theft, unsafe conditions, and human trafficking, but also acts as a worker-driven labor broker, directing resilience workers toward communities that have been underserved or abandoned by FEMA. Recently, Resilience Force partnered with a large reconstruction company to create a set of industry-wide standards for disaster work. The core of their model links worker protections with worker training: the company ensures that their subcontractors adhere to basic wage, housing, and safety standards in exchange for Resilience Force's help with skill development and safety training to transform jobs in disaster recovery from employment that is short-term, unpredictable, and dangerous to jobs that are skilled, steady, and safe.<sup>30</sup>

Resilience Force and other advocacy organizations have partnered to take these protective institutional experiments further. For example, they have pushed to expand the labor-employer partnership to wider segments of the industry, while opening on-ramps to citizenship for immigrant reconstruction workers. Their efforts show the potential for strengthening and expanding the biophilic processes they started, and point to institutional channels for reversing the exploitative loop that runs through the economy and nature in disaster recovery.

Broadening the biophilic reach of Resilience Force's initial actions might involve additional reforms that target the national immigration system itself, including reversing its role in producing precarity and exposing immigrant workers to exploitative employer practices. It could also include a push to tighten regulation of business practices in disaster recovery that scrutinize the contribution of private equity and government policy in structuring unaccountable chains of subcontractors and labor brokers. Moving to the materiality of the buildings that workers are tasked with clearing, further biophilic intervention could enhance Resilience Force's training push to include developing skills in green demolition. Those trainings could even be used to connect with building trade unions and other established training organizations in the larger construction industry,

such that resilience workers could help strengthen skill development initiatives for green building and the use of new low-carbon materials. For immigrants in disaster recovery, a pivot to green building would mean that, in rebuilding communities decimated by extreme weather events, they would be working to protect their communities of origin from similar climate damage at the same time.

This biophilic vision for disaster recovery builds on the three areas we highlight as important in institutional remaking. It abandons the current industry norm of treating workers as brute and disposable labor power abstracted from their communities and hauled to the site of the latest disaster where they are exposed to hazards that injure them, and instead promotes worker dignity and fair compensation and guarantees that human bodies and lives will be protected just as their essential work helps localities heal. Instead of the disregard for economic equity and justice that is central to the standard low-road business model of disaster recovery, it focuses on forging institutional pathways that promote equity and justice, including reforms to immigration policy and strengthening mechanisms to enforce labor protections. Finally, it challenges the representation of workers as alienated from the natural environment and advances institutional logics that cultivate solidarity based on shared aliveness.

The biophilic institutions that workers have created in disaster recovery, as well as the broader and necessary institutional transformation whose possibility they suggest, illustrate the potential for biophilic reenvisioning. This example is just one of the many ongoing efforts around the world to remake the institutions that structure labor and environmental conditions, and specifically, to respond to the ways those conditions are produced by institutional patterns that swipe at people and ecologies with the same extractive gesture. But the journey of the resilience workers we offer here shows how the seed of biophilic institutional transformation is a perceptual change: the actions of workers in the Resilience Force movement stemmed from their reinterpretation of the protection of their bodies, their livelihoods, and their political rights as immigrants and as workers, and is part of the larger project of responding to environmental change. In their foregrounding of the connection between climate damage and economic exploitation, they also opened up the political possibility for dimensions of institutional remaking that they themselves did not – or could not, for lack of political power – complete fully in this moment. In this respect, they show that biophilic reimagining is ongoing, adapting and expanding in response to changing circumstances that threaten ecological and economic life, as well as to the emerging conditions that generate further resources to protect it.

Thus, as resilience workers demonstrate, the heart of biophilic institutional remaking is in our ability to learn with our environment, not dominate it or push against it. It requires we interpret across the divide between nature and the economy, but also recognize nature's role in cocreating new institutional processes and

inspiring a more hopeful vision of institutional change. We can all play a role in making biophilic institutionalization more than an aspiration. But this requires ongoing practice, drawing on and refining those qualities we as humans share with our planet Earth – our adaptability, our desire to nurture and care, our ability to cooperate and coordinate, our drive to work and learn together. The case of the resilience workers shows that even in the most exploitative seams of economic practice, in which people and ecologies are targeted for extraction, there are seeds for biophilic institutional remaking. Their efforts also suggest the importance of viewing their actions as more than just an isolated and even quaint example of institutional tinkering. Their initiative and many other similar instances of biophilic organizing are early test beds for building new forms of assembly and political power for engaging mainstream institutions, transforming them from sources of perpetuated damage to resources for restoration and collective hope. Expanding them outward to remake the broader institutional framework that shapes our economy and society requires us to deepen the skills for creating biophilic institutions that cut across political divides, reverse inequalities, and foreground the shared stake that we all have in a sustainable future. We do so by learning how to cultivate the solidarities that stretch across the economy and nature, in learning how to connect the well-being of workers with the well-being of the ecologies they act upon, and in learning how to attend, together, to the flourishing of humans and the environment.

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# Biophilic Markets

*Eric D. Beinhocker*

*Markets must be made biophilic: that is, compatible with life flourishing on Earth. To do so, we must abandon prevailing notions of market efficiency and reconceive markets as social evolutionary systems embedded in nature. Such a reconception enables us to see that constraining markets within biophysical boundaries would not result in zero-sum trade-offs with the economy, but instead would drive market evolution to new forms of prosperity.*

Natasha Iskander and Nichola Lowe’s concept of “biophilic institutions” forces analytical and moral clarity: Are our institutional arrangements compatible with life flourishing on Earth? Do we want them to be? At present, the scientific and political evidence suggests the answer is “no.” Human activity has caused the species extinction rate to jump to tens to hundreds of times the average of the past ten million years, causing many scientists to conclude that a mass extinction event is underway with little being done to stop it.<sup>1</sup> As Iskander and Lowe observe, our current theories frame debates as the economy versus life, and we have chosen the economy.<sup>2</sup> Iskander and Lowe’s concept of biophilic institutions highlights the absurdity of both the framing and our choice. Earth’s previous five mass extinction events saw losses of over 75 percent of species. It is unlikely that human civilization, let alone anything like a modern economy, would survive an anthropogenically induced sixth event. It is biophilic or bust.

In this essay, I extend Iskander and Lowe’s concept and explore what it might mean for one specific set of economic institutions – markets – to become biophilic.

The standard economic answer to biophilia is to “price the unpriced externality,” for example, by using taxes or tradeable permits to put a price on human activities that harm nature.<sup>3</sup> This has been done with some success for pricing power plant sulfur dioxide pollution and ozone-damaging chlorofluorocarbon emissions, but with much less success for carbon emissions. Despite decades of effort, only about 0.8 percent of global emissions are subject to a carbon price consistent with the Paris Agreement.<sup>4</sup> There are political reasons why this approach has failed – namely, powerful vested interests who fight back – but to see how markets could become truly biophilic, we need a different understanding of how markets operate and their relationship with nature.

There are three conceptual shifts that must be made. First, the dominant economic paradigm sees nature as separate from human society: an “externality” that provides an infinite source of resources and an infinite sink for waste. The standard economic “production function” has no concept of energy, entropy, planetary boundaries, or any other finite limits to growth. If one looks inside the theories, models, and ideologies that shape the decisions of finance ministries, central banks, regulators, the courts, investors, and businesses, one finds that nature rarely, if ever, appears. This simply does not reflect the reality that economic value creation is both wholly dependent on, and significantly impacts, nature – the two are mutually interdependent. When nature does appear, it is usually in the form of a trade-off with the economy. As Iskander and Lowe put it, “[our] most influential institutions operate as if nature and the economy existed in a zero-sum game.”<sup>5</sup> This zero-sum mentality in turn frames climate as a cost-benefit problem in which the burden of proof is on the person showing that the “benefits” of preserving life on Earth are greater than the “costs” to the economy (again, think of the absurdity of this). This framing has provided an enormous political advantage to fossil fuel and other interests, who can portray themselves as champions of the economy versus environmentalists who want to kill jobs to save polar bears.

Second, we must see markets not as mechanical equilibrium systems, but as dynamic, social evolutionary systems.<sup>6</sup> Economics has traditionally viewed markets as gravitating toward a socially optimal allocation of resources. This equilibrium framework has impeded action on climate in multiple ways.<sup>7</sup> In particular, it has an inherent status quo bias, as it assumes that the current arrangements are optimal, and exogenous changes introduced by policy (for example, climate regulation) are typically assumed to reduce market efficiency and therefore social welfare (or again, in political speech, will “kill jobs and growth”). Furthermore, the equilibrium framing assumes that all change is marginal and expressed primarily through shifts in relative prices within the existing system. This perspective then encourages policy-makers to focus on incremental rather than structural change, and to see carbon pricing as “the answer” instead of the broad array of policies, investments, and institutional changes required for system transformation.

Markets are evolving social constructs, arrangements of institutions that in turn facilitate the evolution of products, services, jobs, technologies, and business models.<sup>8</sup> Such an evolutionary economy is not static but dynamic, with history showing both periods of marginal change and periods of transformational, structural change (for example, the Industrial Revolution). Processes of change are endogenous, emerging from interactions of economic, technological, political, and environmental forces. As a dynamic, evolutionary system, there is no “optimal” end state, but one can say that, over history, differing economic arrangements have varied greatly in delivering human well-being: there is certainly “better” and “worse.”

What then drives economic evolution toward “better” or “worse”? All evolutionary systems are driven by a fitness function that selects what survives and grows in the system and what fails and disappears. In biological systems, genes that enhance an organism’s fitness for its environment are more likely to survive and replicate, thus driving species evolution. In the case of the economy, the fitness function is socially constructed. One can think of the economy as a set of billions of experiments in products, services, jobs, technologies, and business models. Market competition sifts through these experiments, determining which survive, grow, and dominate, and which disappear. The market fitness function is determined by the interplay of consumer tastes, firm and investor behaviors, legal and regulatory rules, and normative beliefs about what are good outcomes. As those factors change over time, so too does the market fitness function: what is a “successful” business today is different from what it was in the past. Driven by economic theory, our current system is constructed on the belief that human welfare is best served when individuals maximize their consumption, firms maximize their profits, investors maximize their returns, and policy-makers maximize GDP growth.<sup>9</sup> These beliefs have played a powerful role in the market fitness function, evolving a system that is highly bio-destructive and whose impacts on human welfare are mixed at best.

This leads to our third conceptual shift: as a social construct, the market fitness function is a social choice. Orthodox economics treats the fitness function as if it were an exogenously determined law of nature, as if there is no alternative. Yet the variety of human arrangements in organizing economic systems over history and across cultures shows that it is indeed a social construction.<sup>10</sup> As such, we could choose a different market fitness function than the one we have today: we could choose one that is biophilic. Markets exist to serve society, and society therefore has a right to shape the market fitness function to its needs, including the need to avoid mass extinction. A society could choose to require that its markets operate within biophysical boundaries, and thus, firms could only be “successful” if they earned profits in ways that are biophilic. Such societal choices are most legitimately expressed through democratic institutions, which in turn put high demands on those institutions to shape the market fitness function in the right ways. There are legitimate questions as to whether our current institutions are up to the challenge, but in this case, there really is no alternative.<sup>11</sup>

**I** should be clear that I am not advocating central planning. I am not proposing, for example, that government bureaucrats should decide what quantity, price, and style of automobiles to produce. That work is the job of markets. Instead, I am arguing that society has a right to require that automobile manufacturers (and all other manufacturers) operate within biophilic boundaries. Forcing markets to operate within socially determined boundaries is nothing new. For example, in



the early twentieth century, child labor was still common, and when reformers began advocating to ban the practice, there was intense opposition from employers.<sup>12</sup> Paralleling today's debates over climate, industry interests argued that children were an economic resource to be exploited, and there was a zero-sum trade-off between child welfare and the economy: that is, ending child labor would "kill jobs and growth." But when the practice was finally banned in the United States in 1938, the mines didn't close, the farms didn't go bankrupt, and the factories didn't grind to a halt. Instead, markets did what evolutionary systems do; they adapted to the change in the economic fitness function, and firms figured out how to operate profitably without child labor (and those that didn't arguably deserved to go out of business). And not only was child welfare greatly enhanced, but longer-run economic performance was boosted as better educated children became more productive adults. Instead of zero-sum, the adaptive dynamics of markets turned the child labor ban into a positive-sum win.

Similar evolutionary dynamics would be at work if the market fitness function were changed to be biophilic. What would this look like in practice? At a minimum it would involve legally binding national economies to carbon budgets that led to net-zero emissions over a time period consistent with limiting warming to 1.5 degrees Celsius. The ultimate destination would be a global ban on net-positive emissions by 2050 (or "carbon abolition," as I call it).<sup>13</sup> Such legally binding emission limits would need to be backed by a full suite of regulatory tools and public investments, as well as carbon border adjustments to address trade with countries whose markets are not biophilic. Making markets truly biophilic would further require constraints on a broader set of environmental impacts (for example, waste, pollution, and habitat loss) to drive markets toward a "circular economy" that delivers human well-being with minimal waste and net resource use.<sup>14</sup>

The good news is that such a change in the economic fitness function would not result in inefficiencies and welfare loss – as predicted by traditional analyses – but would result in a massive wave of investment, innovation, and enormous welfare gains (perhaps even infinite welfare gains given the existential threat to future generations). As noted, when the fitness function changes, evolutionary systems adapt. The true genius of markets is not their static allocative efficiency but their dynamic adaptability. There is a long history of environmental policy sparking adaptation, innovation, and investment. Even the wholly inadequate policies of the past decades have triggered significant advances: solar power costs have dropped 82 percent, wind costs have fallen 39 percent, electric vehicle battery range has quadrupled, and the overall energy efficiency of the U.S. economy has increased by 23 percent.<sup>15</sup> Instead of experiencing "de-growth," as some would advocate, markets with hard biophilic limits (as well as policies for a just transition) would find new ways to meet human needs within those constraints.<sup>16</sup> Instead of bio-destructive growth, we could have biophilic progress.

The economy and nature are not in zero-sum competition. They are mutually interdependent, co-evolving systems. Our current economic and political framework does not recognize this fact. Markets are among humankind's most powerful inventions. How we harness their innovative power, and to what ends, is a social choice. Choosing biophilia does not mean choosing to become poorer: it means choosing to become prosperous in a different way.

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# Biophilia & Military Degrowth

*Julie Livingston*

*This essay responds to Natasha Iskander and Nichola Lowe's essay on the potential for biophilic institutions, lauding their focus on labor justice and the body of the worker as a route to institutional change. Using the U.S. military as an example, this response asks if all institutions can become biophilic or if some must instead be shrunk, dismantled, or radically reimagined? It goes on to consider the collateral impact of the military in terms of labor justice and environmental damage to call its biophilic potential into question.*

The aftermath of a storm or other disaster offers an apt context in which to assess the damage to our world, to consider its broken relationships, its toxic irrationalities, its predatory impulses, its false promises, but also its nascent possibilities. These days, there's plenty of aftermath to go around. Out there in the clean-up, Natasha Iskander and Nichola Lowe have found an encouraging domain of biophilic possibility: the nonprofit Resilience Force toiling away, quietly organizing amid the disaster capitalism that profits from misfortune of many kinds.<sup>1</sup> Iskander and Lowe's grounded yet hopeful essay reminds us that social and political pressure can foster institutional change in ways that affirm how the environment and the economy are two sides of the same coin. It is hard to stress how important this is in the face of problems so grave and so mighty that fatalism beckons many instead of the creativity and justice we so desperately need. Iskander and Lowe draw our attention to the social contract that underpins systems of labor – and find biophilic potential in the body of the worker, which is porous to the environment in which she labors.

I appreciate this example and the linking of labor and the environment, but ultimately, I think biophilic potential must be found before the storm and not only in its aftermath, because we are trapped in an unending cycle of destruction that must be dug out at its roots. To explain what I mean, let me shift the analytic gaze from Resilience Force to an adjacent presence in the aftermath: the U.S. military. How might we think about an institution that may not be sufficiently moral to be part of a political moral economy? Can an institution organized around violence of many kinds become biophilic or must it be shrunk, dismantled, rethought, reworked? The U.S. military is an example of what I call “self-devouring growth,” a paradoxical formation that furthers the very problems it aims to solve.<sup>2</sup> Vast re-

sources are invested to ensure our security even as military consumption and its attendant waste undermine our collective future on a massive scale.

The U.S. Department of Defense is both the world's largest employer and its single largest institutional consumer of oil.<sup>3</sup> This military department works hand in hand with the Federal Emergency Management Agency on many projects, from search and rescue to debris removal and infrastructure remediation. They were in New Orleans to remove debris and rebuild the levee system after Hurricane Katrina. They were in Florida after Hurricane Irma, and in Houston after Harvey. They cleared debris from the fires in Northern California in 2017, and National Guard troops were deployed to clear debris after the deadly tornadoes in Kentucky in 2021. Yet unlike Resilience Force, the U.S. military helped to foster the deadly power of such storms in the first place. With a massive carbon footprint, the U.S. military warms our planet while securing the global flow of petroleum.<sup>4</sup> It may clear debris after a storm, but for nearly a decade in the early 2000s, soldiers deployed in Iraq and Afghanistan were ordered to throw debris into giant "burn pits" comprising waste from their bases' daily operations: waste doused in jet fuel and set alight.<sup>5</sup>

The U.S. military was on the ground in Puerto Rico after Hurricane Maria. But the U.S. Navy has long failed to clean the toxic mess they left behind through decades of bombing the small Puerto Rican island of Vieques. Our national landscape is littered with several hundred superfund sites on former military installations totaling many millions of acres of profound environmental damage.<sup>6</sup> Soldiers and military families, as well as those living in the shadow of weapons facilities and military installations, face exposure to harmful chemicals including PFAs (so-called forever chemicals) that have seeped into the groundwater.<sup>7</sup> The military has drenched Vietnam in Agent Orange, covered Iraq and Syria with depleted uranium weapons, and saturated rural Colombia in glyphosate, with long-term effects ranging from loss of biodiversity to human birth defects and cancers to heightened antimicrobial resistance.<sup>8</sup> Bikini Atoll in the Marshall Islands is now uninhabitable; Guam is awash in radiation. The planes dropping the chemicals and the bombs are also spewing carbon.

On the labor front, things are looking equally counterproductive. Soldiers suffer high rates of disabling injury and suicide. There is widespread food insecurity among military families, a seemingly intractable problem of sexual harassment and assault within the ranks, as well as a substantial and seemingly growing problem of white nationalism.<sup>9</sup> According to an NPR study, nearly one in five defendants in the January 6, 2021, insurrection were veterans of the U.S. military.<sup>10</sup>

The Department of Defense has identified climate change as a problem of national security and worked to reduce its consumption of fossil fuels.<sup>11</sup> As a major employer of working poor people, it provides training and educational opportunities, and offers a potential pathway to citizenship for the many thousands of

noncitizen soldiers. They also manage pensions and health care through the Department of Veteran Affairs. But its efforts to care for its workforce and for the environment are dwarfed by the destruction and death it brings in the false name of something called security. From the war on drugs to the war on terror to the dirty wars and the proxy wars, the growth of the U.S. military helps drive the migration crisis. Biophilia remains out of reach.

I think Iskander and Lowe are right to point to institutional change through an interlinking of labor and the environment, locating the paradox that biophilic potential can be found in the very institutional processes that exacerbate inequality. But while I hold out hope for their vision of a “pathway for change that runs through established institutions,” I also think false promises abound in certain established institutions, which leads to self-devouring growth.<sup>12</sup> If we see the military deployed to the aftermath, we are missing how they caused the event. We might think it makes sense that they command nearly half of all discretionary spending in the federal budget. What if we went about shrinking the military in a determined way?<sup>13</sup> What if instead of a national guard, there were a national resilience force? What if this national resilience force worked through labor justice and biophilic principles and offered a ladder for those it employed through job training, educational opportunities, pathways to citizenship, and an emphasis on green technologies and projects? New institutions cannot become the site of hope so long as the old institutions, such as the military, continue to operate in their paradoxical mission, generating disasters and taking charge in cleaning them up. Our environmental problems are so extreme that a new moral political economy will require a fundamental transformation of the existing order. Only then can the biophilic potential of labor-justice institutions like Resilience Force be realized in full.

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#### ENDNOTES

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# Making Decent Jobs

*John S. Ahlquist*

*On both normative and pragmatic grounds, I make a case for “decent jobs” over the current discourse around “good jobs.” I define decent jobs as ones that reflect sustained worker influence over the terms and conditions of work. Making decent jobs necessarily entails groups of workers capable of engaging strategically with firms and governments. Where will these groups come from? Changes in technology, the structure of production, and boundaries of the firm all point to profound difficulties in sustaining collective action centered on workplace relationships and identities. Networks of workers organized around mutual aid show some promise, but connecting these groups to concerted action on the shop floor implies numerous organizational and governance challenges.*

In many, but not all, advanced democracies, income and wealth inequality are at levels not seen since the times of top hats, bustles, and oil lamps.<sup>1</sup> Across the developed world, the share of production going to workers – long believed to be something of a natural constant – has declined significantly over the last forty years.<sup>2</sup> Economic mobility is slowing and jobs are polarized.<sup>3</sup> Employers increasingly hire workers into precarious, supplier-like relationships devoid of labor protections and access to social insurance.<sup>4</sup> Real wages are stagnant for the bottom half of the wage distribution. Many lament the disappearance of “good jobs,” a process now linked to the rise of nativist populism and “deaths of despair.”<sup>5</sup> And this was *before* the COVID-19 pandemic gave us the moniker “essential worker” for people who, more often than not, are treated as anything but indispensable.<sup>6</sup>

*Neoliberalism* is the (hackneyed) catch-all term covering the intellectual, political, and rhetorical devices abetting these changes. At its core is a stylized vision of untethered individuals in transitory, arms-length relationships coming and going as so many local optimizers. This vision relies on an uncomfortable dualism between “society” and “market” that banishes difficult questions of fairness and mutual obligation from economic interactions while treating government as largely pernicious, something to be minimized. It provides no coherent response to the looming questions of distributional fairness or the appropriate conditions of production, provoking calls for a “paradigm shift” and “new moral political economic framework.”<sup>7</sup>

The moral rubber hits the economic road where people buy and sell that “fictitious commodity” of human labor: that is, jobs.<sup>8</sup> In contrast to various ideas

about good jobs, I make a case for “decent jobs,” which I define as jobs that reflect sustained worker influence over the terms and conditions of employment. Individual workers are almost never able to *reliably* secure such influence on their own. American labor unions, operating in a wildly outmoded legal and regulatory framework, are no longer up to the task in all but a handful of situations.<sup>9</sup>

Rebuilding workers’ “strategic capacity” and influence is a political project, implicating power relations, conflicting and overlapping interests, and the practicalities of sustaining agreements through time.<sup>10</sup> Changes to the structure of production, the nature of hiring, and the treatment of workers once hired are all undermining the social and economic basis for sustained collective action on the job.<sup>11</sup> Worker voice is therefore unlikely to emerge from shop-floor unionization campaigns under current U.S. labor law.<sup>12</sup> Changing the laws is unlikely without sustained political pressure.

With this impasse in mind, political entrepreneurs and labor activists are experimenting with a variety of organizational forms and funding models designed to build social networks and expand workers’ “community of fate” beyond the shop floor.<sup>13</sup> Many are taking a mutual-aid approach, reminiscent of the early history of labor organizing. These “mutualist” groups tend to organize around a location, a particular cause, or an epistemic, professional, or cultural community.<sup>14</sup> What they sometimes lack is the consistent presence at the point of production necessary for becoming agents of decent jobs. As these networks become more densely connected and encounter conflicting interests among workers themselves, governance issues will loom large.

**W**hat do we mean when we talk about good jobs? There are numerous characterizations, emerging from interviews and surveys of workers, examination of the historical record, and lots of introspection. The U.S. Department of Labor recently launched the “Job Quality Measurement Initiative” to figure out how to measure good jobs.<sup>15</sup> Clearly, there is no consensus analytic definition of job quality, but there are some common themes emerging.

- A good job is multidimensional, involving an unspecified combination of a living wage; stable/predictable scheduling; stable/predictable pay; forward/upward mobility; predictability in employment; access to benefits; freedom from discrimination, abuse, and harassment; reasonably safe work environment; autonomy; voice; a sense of mission, purpose, or belonging; and recognition/status.
- A good job is context dependent. Different types of work arrangements can be “good” for different people in different life situations. And good jobs are embedded in the larger milieu. What counts as good depends on what was initially promised, what *other jobs* are like, and what *other employers* are doing.

- A good job is not fixed or static. What counts as a good job must necessarily change and evolve.

As a target for policy-making, good jobs suffer from conflicting goals, competing constituencies, and the imperative of continual adaptation. In any case, good jobs are ill-defined from a moral political economy standpoint. The phrase “good jobs” itself calls to mind a technical problem of quality assurance, eliding the exercise of power, threat of conflict, and questions of fairness endemic to the labor market. It is thus unsurprising that many policy prescriptions designed to increase the supply of good jobs end up turning workers into stakeholders at best and spectators at worst, rather than the ultimate arbiters of whether a job is any good.

As one example, labor scholar Zeynep Ton locates the supply of good jobs in the strategic and tactical decisions of executives and managers.<sup>16</sup> Managers surely help shape working conditions. There are important attempts to better orient corporate objectives and management practices toward human flourishing.<sup>17</sup> Nevertheless, expecting enlightened managers to land on a “good jobs strategy” is untenable as a policy program.<sup>18</sup> Echoing the old literature on efficiency wages, firms pursuing the good jobs strategy exist in an industrial ecosystem with other employers successfully pursuing a “bad jobs” approach (which can make barely adequate jobs look good in comparison). Reliably producing decent working conditions across a dynamic economy is impossible to achieve solely through one-off reforms to the business practices of individual firms.

Looking to technocratic policy-making as the source of good jobs is another wrong turn. As we see in the aftermath of the “great resignation,” setting monetary and other macroeconomic policies to keep unemployment low does not guarantee good jobs nor does it provide a mechanism for translating transitory worker leverage into durable improvements that persist beyond the next recession.<sup>19</sup> Business-government partnerships for worker training won’t solve foundational problems of credibility and management of a “common pool” of skilled workers. If workers cannot durably and systematically affect the terms of their employment and exert concerted political pressure, calls to enact “place-based” government policies and enlightened corporate strategies to “bring back” the lost good jobs ring hollow. And even when government manages to produce policies that might make some jobs better, implementation can be uneven, unreliable, and subject to political cycles.

Enforcement of regulatory standards is far more effective when workers gather and transmit information and advocate for their own interests.<sup>20</sup> Worker power in favorable political and economic contexts transformed industrial exploitation, drudgery, and alienation into the “good, blue-collar manufacturing jobs” that are nostalgic tropes of campaign speeches.

I want to reorient away from good jobs toward a notion of “decent jobs,” by which I mean work arrangements resulting from processes that reliably, consistently, and directly incorporate workers and respect government-set standards that themselves incorporate workers’ interests. The idea of decency presupposes standards of mutual obligation and respectability broadly shared in some political community. The focus on worker voice emphasizes the political project as well as thorny questions of governance.

The notion of decent jobs may echo old calls for “industrial democracy.” But the core rationale is pragmatic, resting on extensive findings linking the fairness and transparency of decision procedures with improved well-being and organizational performance.<sup>21</sup> As a matter of political economy, decent jobs are necessary even if the ultimate goal is a specific notion of the good job or something more ambitious as economic fairness or justice.

Ideas about industrial democracy date back to the Fabians of the nineteenth century.<sup>22</sup> There are a variety of consequentialist arguments for workplace democracy with mixed degrees of empirical support. Political scientist Robert A. Dahl articulated a normative element, claiming that, insofar as employees are “roughly equally well-qualified to decide which matters. . . require binding collective decision,” they have a moral right to democratic voice in the firm.<sup>23</sup> Philosopher Elizabeth Anderson reinvigorated this line of argument in her recent attack on “private governments.”<sup>24</sup>

A common critique of industrial democracy – one laid out by political scientist Robert Mayer – rejects a moral right to worker voice because the employer recruits the worker.<sup>25</sup> The “terms of subjection are negotiated,” which obviates the worker’s claim to a voice in the firm in the manner of citizens with respect to their government.<sup>26</sup> Making this move requires the assumption that all negotiation takes place *before* signing a contract, when a worker can refuse subjection in theory, if not always in practice. However, the limits of worker subjection – like many aspects of a job contract – are difficult to articulate and credibly enforce. The conditions of the employment relationship must evolve in response to circumstance, which requires adaptation and implicit bargaining.<sup>27</sup> Once we recognize both contractual incompleteness and the “relational contract” that characterizes virtually every job, Mayer’s critique verges on the irrelevant.

Different jobs will exhibit differing levels of contractual incompleteness. Workers will vary in their desire and capacity to exercise their voices, so creating decent jobs need not imply a worker-run firm, as some in the industrial democracy tradition have argued. Rather, the contribution of the industrial democracy approach is its demonstration that an individual worker’s exit option – the only real mechanism of redress in the neoliberal political economy – is vain and certainly insufficient to produce decent jobs.



My main justification for decent jobs is practical and derives from the “procedural justice” approach closely associated with legal scholar Tom R. Tyler and his collaborators. Across several domains – including employment – they have produced extensive evidence showing that processes viewed as transparent, fair, consistent, and accessible increase a sense of just treatment, personal agency, voluntary compliance with organizational decisions, and willingness to take actions aligned with organizational goals in ambiguous or unspecified circumstances. Conversely, processes that are opaque, arbitrary, or unilaterally imposed have the opposite effects, *even if* the decision outcome is good from the worker’s perspective. Procedural justice is not just about getting a better outcome. People appear to value fair processes in part because they signal social standing in a group: that is, respect.<sup>28</sup> From a procedural justice perspective, jobs are deemed decent based on the processes by which we arrive at and sustain them, not the content of the work arrangements themselves. This approach to decent jobs is both coherent and tractable. A worker, manager, or policy-maker can evaluate whether any particular organization, reform, or law will increase the decency of certain jobs or the overall supply of decent jobs.

An important part of the definition of decency is the plural in “processes.” Workers can have influence through a variety of channels in different organizational forms. This includes – but does not require – traditional labor unions and collective bargaining under the threat of strikes. Historically, other forms of worker influence include self-managed teams and “quality circles,” works councils and other consultative bodies, minority unions, ombudspersons, job rotation in and out of management positions, and worker representation on corporate boards.<sup>29</sup> Across all these options, workers can have more (or less) influence in ways that are more (or less) procedurally transparent and neutral. As such, job decency is a matter of degree.

As one illustrative historical example, Margaret Levi and I studied dockworkers and their unions through the twentieth century.<sup>30</sup> In the 1930s, work on the docks was *bad*. Pay was low and conditions were filthy and dangerous. The job was casual; you never knew if you would be hired back the next day, but it might help if you kick back part of your wages to the “walking boss.” At the time, the union for dockworkers – the International Longshoremen’s Association (ILA) – was known for its authoritarian governance and feckless leaders. Although a union was present, these jobs were clearly not decent.

In 1934, workers at almost all ports along the West Coast went on strike, contrary to the instructions of the ineffectual ILA leadership. After enduring government violence, the workers won and broke away from the ILA to establish a new union, the International Longshore and Warehouse Union (ILWU). The ILWU became known for its intense internal democracy almost as much as for its industrial effectiveness. Union meetings could be contentious, and the members regular-

ly questioned union leaders. Through the ILWU, dockworkers transformed their jobs, introducing a system of job rotation managed through a hiring and dispatch hall largely controlled by the workers themselves. The newfound decency of their jobs is reflected in a favorite saying from the time: the ILWU “transformed wharf rats into lords of the docks.”<sup>31</sup> To this day the work remains difficult and, at times, dangerous. But there is substantial worker influence over work conditions and the hiring hall remains. Although not perfect, the job of an ILWU dockworker is decent.

**F**or there to be decent jobs there must be effective workers’ organizations. There is no other way. But calls for improved worker voice are a dime a dozen. The overriding challenge is *how*, which requires some vision of where workers might come together in ways that make collective action more likely. At the level of policy, there is a chicken-and-egg problem: existing law and regulations governing labor unions incentivize overly narrow and parochial bargaining units, enable employer resistance, hamper organizational experimentation in unions, and preclude some organizational alternatives altogether. But changing the law requires that workers’ organizations and their allies apply sustained political pressure beyond what they appear capable of delivering. This situation for many workers is, unfortunately, not all that dissimilar from that facing the dockworkers in the early 1930s.

Historically, successful union organizing rested on one of two pillars of common interest across workers: occupational identities (in the form of shared skills or occupations) and the structure of work (in the form of shared employers or buyer-supplier relationships). But a shared interest is not enough. Successful collective action is more sustainable when relationships are ongoing, people have long time horizons, it is easy to observe and share information, group membership is clear, and there are coordinating devices that can sustain reputations and resolve disputes.<sup>32</sup>

Many of the changes that make work less decent also undermine both the foundational pillars of common interest as well as conditions conducive to collective action. Thanks to improved information technology, jobs are being decomposed into tasks, perhaps performed remotely and in parallel in widely distributed supply chains in multiple countries. Some tasks are increasingly assigned to algorithms or robots and the pace of change is rapid, threatening occupational identities. Job contracts may be project-based or contingent, rather than open-ended. Changes in shipping technology and economic policy have enabled global sourcing, extended supply chains, and led to threats to shift capital investments. This same dismantling process also extends to shifting boundaries of firms. “Fissuring” workplaces sever the links of common employers among some workers while obscuring the existence of a common employer between others.<sup>33</sup> It is far harder

for workers to see where they fit in the larger production process and who might be in a similar position. At the same time, effective action requires that workers exert pressure up and down the supply chain. In many industries, especially service work, scheduling is volatile, turnover is high, and time horizons are short, reducing the attractiveness of exercising voice. Some workers are geographically fragmented and politically isolated. All these changes work against the emergence of collective action organized around stable occupational identities or single worksites.

These are not new problems. In the early industrial period, joint bargaining and extended, industry-wide political organizations were not yet conceived. Production was fragmented and barriers of language, race, and religion were real. Organized cooperation among workers took the form of mutual aid and friendly societies aimed at assisting one another or families in times of sickness, injury, and untimely death. In late-nineteenth-century Britain, friendly and mutual aid societies became *the* organizations providing something like “portable benefits” to upward of 70 percent of British workers, relying on intensive social ritual and regular drinking events to sustain membership and build camaraderie and solidarity.<sup>34</sup> In the United States, mutual aid groups formed around the nuclei of shared religion, ethnicity and language (especially for recent immigrants), gender, and, of course, race. Some mutual aid societies collapsed due to their parochial nature, agency problems, and the correlated risks among workers in the same industry or city.<sup>35</sup> Other mutual aid groups were folded into modern trade unions and used to recruit and retain union members.<sup>36</sup> Over time, commercial insurance sometimes proved more economical. Governments stepped in, through social insurance and welfare programs, to underwrite and sometimes replace teetering mutual aid societies and union funds.<sup>37</sup>

In the contemporary period, unions are vanishing. The American health, welfare, and social insurance systems are creaking, as unprecedented demand runs up against decades of disinvestment. The fraying safety net’s encounter with the COVID-19 pandemic has provoked new interest in decentralized mutual aid at the neighborhood level, as well as increased attempts to raise and disburse funds across distributed networks.<sup>38</sup> Recent surveys reinforce the idea that American workers are hungry for a say on the job in ways that also address failures in our social insurance systems. Mutual aid “services” and portable benefits, *alongside* collective bargaining, are the key areas of worker interest.<sup>39</sup>

The data are equally clear about what workers want their organizations to *avoid*: partisan politics and conflictual relations with management. In their survey conjoint experiment, political scientist Alexander Hertel-Fernandez and his collaborators find that respondents were less likely to support a workers’ organization described as “campaigning for pro-worker politicians in elections” and less willing to pay dues to support political engagement.<sup>40</sup> A survey from the conser-

vative think tank American Compass offered respondents a stark choice between an organization that “devotes its resources only to issues and issues facing you and your coworkers at your workplace” and one that also devotes resources to “national political issues.”<sup>41</sup> Given these options, respondents preferred an organization that eschewed national politics by a 2-to-1 margin.

It is easy to object that this aversion to conflict and partisan politics should be ignored because strike threats and political engagement are necessary for workers’ organizations to make jobs more decent over the long term. I disagree. Partisan politics are always divisive and unpleasant, all the more so in the current American political economy. In the recent period, union political activities have rarely managed to deliver concrete wins for working people, especially at the federal level, which increasingly dominates all levels of political contestation. It is hardly surprising that, when asked, workers want to avoid expanding into areas in which cooperation may be more difficult or impossible. Understanding this constraint will be important for getting new organization-building off the ground.

This is not to say that political mobilization and even partisan alliances should be avoided over the longer term – far from it. Margaret Levi and I show that workers’ organizations can and will take on broad-based political commitments that extend well beyond the immediate job concerns of the current members.<sup>42</sup> But there is an important sequencing: these organizations must first “deliver the goods” before expanding their scope of action to include national (or international) politics. Solving these initial coordination and collective action problems is critical; workers can see that their colleagues are people worth taking a risk on. Developing this kind of social capital in one domain can then alter what workers believe to be feasible and in their interest in other areas. More important, it provides a vehicle through which workers can deliberate about the political projects they think are most important. Successes must build on each other, begging the question of how to get the ball rolling. The discussion thus far points to programs that can connect workers across worksites, collaborate with management, and deliver valued benefits.

Among explicitly labor-focused mutualist organizations, the most high-profile have emerged among workers in that regulatory liminal space of independent contractors and freelancers, especially in media and tech, but also for taxi/rideshare and delivery drivers.<sup>43</sup> Most of these organizations emphasize information sharing, training, mutual aid arrangements, and sometimes portable benefits. Some managed to coordinate job actions among a set of workers in particular cities, often – but not exclusively – in the more labor-friendly parts of the country.

If mutual aid and self-funded portable benefits organizations do manage to spread, they will begin to confront important governance challenges well before they can grow into their potential role as vehicles for decent jobs. The biggest issue is leveraging mutual aid communities (that may rely on geographic or other social

ties) into an actual and durable shop-floor presence across employers. Mutualist groups might approach this problem in several ways. The most obvious is that mutualist groups provide support or a backstop for other organizing efforts that may come from traditional unions. Such support can (and does) include managing communication forums for connecting workers with support they need in the event of a job action as well as working with union activists to identify promising organizing opportunities. Successful provision of certain portable benefits can strengthen workers' hands when they approach their employers through other organizational vehicles. For example, childcare collectives could both provide a valued service while also giving workers more time and mental space to engage with the struggle for more decent jobs. More ambitiously, mutualist groups might be the seeds that grow into something like minority unions. For example, workers connected in a mutual aid network could develop the ability to coordinate their wage demands. Whether this is ultimately scalable will depend, in part, on legal and political concerns.

Managing conflicts *between* groups of workers will be the second governance challenge. Most immediately, there may be different groups trying to provide services or organize the same workers. Experimentation is critical and competition between these groups can be beneficial. They will need the space and funding to explore but also the incentives to collaborate with erstwhile competitors or shut down altogether if better options are available. Workers will have differing interests in some circumstances. More senior workers and labor market incumbents may view flexible or temporary work arrangements differently from younger workers and those on the outside. Too often, incumbents view freelancers, temporary workers, and “gig” workers as either a threat to their existing job or as workers forced into a “bad job.”

Yet there is substantial evidence that many workers in nonstandard jobs *prefer* those types of positions. As Sara Horowitz, founder of the Freelancers Union, notes: attempts to force gig work into the existing employment law buckets in the name of worker protection become a “wedge issue” that divides workers and their organizations.<sup>44</sup> The governance challenge will involve building coalitions across these groups and settling on plans tolerable to both, preventing some employers from exploiting this wedge while enabling others to grow and develop new technologies and work processes.

Other potential governance challenges will involve externalities as one group of workers makes demands or provides services that impact others. Historically, this was a common problem among unions, where the wage demands of some workers could affect the employment or purchasing power of others. These conflicts spawned several institutional solutions, including sectoral and centralized bargaining in Germany and Scandinavia, labor tribunals in Australia and New Zealand, and government-brokered labor agreements in multiple countries.<sup>45</sup>

Versions of these problems may reemerge, but the fissuring of employment and the difficulty in connecting workers in different parts of supply chains will certainly raise new challenges and require different solutions. Confederated or meta-organizations – like labor federations of the past and present – will be critical for identifying and, ideally, managing externalities and conflicts as they emerge.

**M**aking decent jobs requires independent organizations representing workers' interests at the points of production, regulatory enforcement, and policy-making. In the United States, this process will ultimately require wholesale revision of (or even jettisoning) the existing labor law, which is based on establishment-level bargaining and a 1930s vision of both households and industry. But such changes appear politically impossible now. Any program for making jobs more decent must start with the long-term project of building social capital among working people. A renewed focus on mutual aid is one promising avenue for making some immediate progress, but it comes with risks and without any guarantee of success.

What roles can academics and policy advocates play? There is value in articulating a “new moral political economic framework,” but intellectuals are unlikely to solve inherently local and contextual problems of articulating grievances and building organizations.<sup>46</sup> It is equally important to recognize that independent, autonomous worker organizations may pursue economic or policy goals contrary to the preferences of both the populist Right and the “Brahmin Left.”<sup>47</sup> We see this already when looking at public opinion data describing attitudes toward certain immigration and trade policies as well as a general desire to keep unions out of (partisan) politics.

There will be extensive experimentation and, perhaps, competition between different groups and organizations to address common problems. Academics are well positioned to play an important coordinating role here, by rigorously evaluating different programs and highlighting their successes, which can reduce wasteful infighting and poorly supported advocacy. When evaluating which initiatives, programs, and organizational experiments succeed, however, the moral framework should be that of decent jobs.



## AUTHOR'S NOTE

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# Eudaimonic Jobs

*Suresh Naidu*

*John Ahlquist's essay proposes a notion of "decent jobs" that is multidimensional, context-dependent, and dynamic. I suggest a simple test for "decent work": work that the worker thinks is valued by people whom the worker values (a measure of exemplary virtue, hence eudaimonic). High pay in a cash society is but one such signal of value, and much labor is provided without that signal. I advocate making relationship-building, decision-making, and sheer time and care required by democratic self-government part of what we consider "decent work," a democratic corvée we impose on ourselves.*

When I think of "good jobs" or "decent jobs," I envision the multidimensional, context-dependent, and dynamic elements John Ahlquist raises in his essay.<sup>1</sup> I am going to offer a notion of "decent work" that is perhaps more parsimonious, but encompassing of Ahlquist's thicker definition: the experience of decent work occurs when a person expends time and effort because they believe their various social communities think the sacrifice is valuable, even if they do not value it themselves. Work binds us to each other, making us do the things that others value even when they tax us physically, emotionally, and mentally. Making that experience "decent" involves eliciting consent, but also confirming and credibly signaling the value others put on our effort. We are doing dignified work when we think what we are doing is seen as worthy by others who are also worthy to us. This second-order belief, that other people important to us think our exertions are valuable, creates a thread running through all the dimensions of decent work Ahlquist describes. These signals of exemplary work are a version of classical "virtue," and decent jobs as characterized by "eudaimonia": it is not the actual content of the job that matters so much as whether we think the job is valued by the various communities we are attached to. Following this classical thread, I conclude by suggesting that we begin thinking about democratic political participation and self-government as a form of labor. It requires time, effort, and care, and we may wish to compensate it appropriately, particularly in a world where the market is no longer such a reliable source of meaningful work.

Money is one (however distorted) representation of community value, summarizing the economy-wide willingness to pay for work. Good work should pay well because it is valued by society at large, even by anonymous others many de-

grees of separation away. And it is difficult to proxy the relationship embodied by abstract cash with other less universal tokens, although not impossible (medals and plaques can go far in some contexts). Further, cash gives a worker a claim on the social product of market society, allowing one to secure housing and livelihood. Of course, work is not the only way to get cash, but in a cash society, wages are a credible way for society to express its gratitude for work done, and high-paying work naturally gets prestige. For many jobs, pay is valued because it is a signal of how the broader society values their work, not necessarily just the consumption facilitated by wages. And so, high pay is a cultural signal of good work, and when the work is unpleasant in some other dimension (rude customers, high training costs, sweltering outdoor heat), then the pay ought to be commensurate.

An immediate pathway to creating eudaimonic jobs, familiar to economists, is to “go global” and supercharge labor market–demand, decoupled from any particular social networks and compensated with money. But there are other paths. For example, we could “go local” and provide material supports for people to allocate their time in ways that are rewarded by their extant local communities. Implementing this path entails disconnecting material subsistence from work, via a variety of basic income and in-kind supports, and letting people use existing social networks and obligations to allocate their reciprocal labors. A third path, the most radical of the three options, is to create forms of work rewarded by a larger political community, for example, encouraging democratic self-governance as a form of public employment. In the process, we would generate new social networks, new valuations of effort, and new kinds of work that ought to have social value as inputs to self-determination, but do not have it now. In sum, the three paths leading to eudaimonic jobs are: 1) dignifying market work with stable and high wages, 2) dignifying nonwage work with material supports, and 3) expanding what counts as work to include the tasks of democratic self-government.

**T**he first path, supercharging the labor market, immediately runs into worries about the future of labor demand. I have little long-term worries about work, in the sense of doing unpleasant things that have value primarily for others, becoming obsolete. I do wonder whether the labor market will continue to be the primary institution able to deliver this work. A precondition of good work in a capitalist economy is that privately owned firms want to hire workers on favorable terms. There are three forces pushing toward reduced market labor: lower labor demand, lower labor supply, and lower ability of private employers to deliver the sources of standing, self-respect, and well-being in a complex, intersectional society via work.

Among these forces, the first is reduced labor demand. Beyond the usual bogeyman of automation – which crops up every couple of generations to offer new



post-employment dystopias and utopias – increases in consolidation, an increasing share of capital tied up in intellectual property monopolies, an inflation-averse central bank, climate (and geopolitical) disruption, and a general decrease in competition all work together to reduce the market demand for labor. Like all calamities, a drop in labor demand will first impact those from low-income backgrounds, and even if restricted initially to a few sectors, it will ripple through the labor market lowering wages throughout the distribution.

Government can do a lot here via macroeconomic management, antitrust, and directing technological change, but the proximate decision-makers are still businesses. Government might also need to do more spending and less regulating in order to stimulate private sector labor demand, a mix that has limited political support. But if we are going to keep the labor market as the primary device for allocating people to jobs, we will need to prod and activate entrepreneurs and corporations, the channels through which good jobs run. These will be the entities that will need to invest in businesses, hire staff and managers, and make work happen. Effectively, we need macroeconomic and microeconomic forces driving high labor demand for all workers. On its own, a tight labor market can partially ensure some of the freedom to quit and the freedom to disobey an employer that should characterize a good job.

But it may be that the future of good work is in the public sector. The large demand for public infrastructure, social insurance, and human capital investment provided by the state will generate the labor demand, funded out of taxpayer revenue, for construction workers, nurses, teachers, and home health care workers. Public sector and building trades unions, not exactly the most popular segments of the labor movement, have a disproportionately large role to play in ensuring workers retain an autonomous veto point in a political process governing the allocation and remuneration of their work.

The second force pushing toward reduced market labor is reduced labor supply. Considered over the life cycle, we are well past Keynes's aspirations for his grandchildren. With life expectancies approaching eighty years, retirement ages staying constant at sixty-five, and rising educational attainment, we now have forty years of work distributed over eighty years of life, while in Keynes's day, it was closer to fifty years of work over sixty years of life. People died of old age while working. Much of the twentieth century had a tragically large number of missing Black men retirees, which has improved since midcentury. Even hours per week have trended downwards with economic development, both within developed and developing countries. It seems difficult to believe that there is an arc toward more leisure in the aggregate, but it is there in the data.

It is possible this issue is temporary. We could be on the verge of a second industrious revolution. Just like the industrious revolution of the late eighteenth century, it would be driven by new consumer goods, immigration, and new forms

of work. Powered by new tasks that leverage human minds, hands, and relationships, labor demand could expand enormously. Powered by climate change, economic inequality, and conflict, a younger, non-White, and less educated workforce in the relatively tranquil and secure markets of the industrialized countries could expand. Powered by innovations in health care, entertainment, and other commodities, people want money even more than free time or maintaining relationships, and they will be willing to work for it.

To manage flows of workers from diverse multinational childhoods, we will need a more active use of nonmarket and premarket institutions for labor market integration, including families and schools. Part of this need, I suspect, entails disrupting the segregated social networks of care that naturally form within class and categorical groups. As economist Gary S. Becker pointed out, higher educational institutions could be thought of as firms that provided so much general-purpose skill that workers paid to work there.<sup>2</sup> Policy has a role in driving out the “low-road” of low-value-added educational institutions and expanding the “high-road” of schools and childhood interventions that boost the life chances of kids born to disadvantage at home and abroad.

But the third obstacle to a vibrant labor market is more elusive and points to the third option above. It could be that the work of the future is not able to deliver either the pecuniary, the cultural, or the social rewards as work of the past, at least for workers without a college degree. It could be that the levels and forms of compensation and job designs compatible with the profit-maximizing imperatives of firms’ own cannot ensure the social standing and validation that comes with good work, nor can they guarantee the freedom to collectively reconfigure a workplace. In a world where we interact with coworkers only on terms set by (or Zoom spaces owned by) our employers, the social networks at work that are the basis of workplace norms and shared expectations of employer fairness will erode, facilitating both wage inequality and arbitrary rule within an employer. Calls for “workplace democracy” seem like weak medicine in a labor market otherwise marked by workplace fissuring, fragmentation, and segregation.

The second path to eudaimonic jobs recognizes the signals of social value are manifold, and often local to a social subnetwork and an overlapping set of organizations. People take care of their children, their friends, and their friends’ children with little in the way of pay, because these are recognized as useful work, are intrinsically enjoyable, and are a coin of repeated exchanges within these networks. Volunteers in social and political movements and community organizations contribute their time to stuff envelopes or knock on unresponsive doors because these activities validate one’s identity in a network of peer perception. People spend countless hours playing social video games or arguing with people on the internet, and I suspect some of this comes from the networks of affirmation and recognition constituted in these worlds. Maybe giving surfers and Twitch

streamers unconditional cash and having them entertain us with sick videos on the internet is an unrecognized utopia-in-the-making.

So, how about that radical third option? The third route to eudaimonic work is to transform the many communities that create and communicate the social value of unpleasant tasks. Prototype communities that engineer recruitment, retention, and social norms to reward work exist: the military does this effectively, as do some religious communities. But even Israeli *kibbutzim*, able to enforce redistribution with shared beliefs and social sanctions, have lost what egalitarian norms they had. Few explicitly collective organizations of human labor have remained large-scale, egalitarian, and persistent across generations. Rather than trying to make the existing workplaces the basis of democracy, one thought is that we begin emphasizing the eudaimonic jobs required by widespread and regular participation in politics: the work of democracy alongside the democracy of work.

What does this look like in practice? Instead of responding to low labor demand with a universal basic income or employer subsidies or trivial and tedious “make work projects,” why not a democratic jobs guarantee, where we pay people to engage in some forms of democratic politics, and mandate other forms of those same politics? Absence of work was the classical precondition for democratic participation, and by this light, a jobless future is possibly a huge democratic opportunity. But we need to think about new institutions for channeling all kinds of people into political participation, not just leaving it to the unrepresentative population of people who intrinsically like and have time for politics.

Going to meetings, debating collective decisions, learning about policies, talking to (and adjudicating among) experts are all enormous labor requirements. Doing them well earns one standing only in our political communities, which rarely overlap with our private ones. When work and care obligations increase suddenly (roughly around age thirty-five among my cohort) volunteer-driven political activity is among the first things to get dropped, and paying attention to politics is often next. Recognition, compensation, and norms that made the work of democracy seem valuable in many social networks would hopefully make the work of democracy yield some of the virtues of prosociality and self-discipline often imputed to market work. Maybe we wind up with a new democratic corvée, like an extended and well-compensated jury service, where citizens will surrender some of their labor to doing democratic governance, perhaps via sortition. Widespread deliberation with random collections of our co-citizens will hopefully wind up building more integrated social networks cross lines of class, race, and habitus. For all the discussion around democratic socialism, there is little thought given to the time, care, and attention – the work – required to implement a thoroughgoing democracy. A basic constraint on democracy, regardless of institutional design of elections, is that many of us are just too tired and busy to participate, and so, either professional politicians and bureaucrats or those without substantial family and

work obligations are running things. We should seek an arrangement of work that gives us all the time, space, cognitive assistance, emotional support, social recognition, and, yes, money that we need to show up, understand each other, and disagree.

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#### ABOUT THE AUTHOR

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# Mutual Aid as Spiritual Sustenance

*Michelle Miller*

*The reemergence of fraternal and mutual aid structures across multiple sectors of the economy is a product of a unifying working-class cultural identity related to precarity. These experiments with collective economic self-reliance reveal what future forms of labor institutions may look like, demonstrating the transformative potential of building community through mutual care.*

As John Ahlquist points out in his essay on “decent jobs,” in an increasingly fissured and contracted landscape, workers across supply chains require some kind of container for their shared identity beyond the shop floor in order to bargain for rights and protections.<sup>1</sup> In this context, the mutual aid model is, indeed, a practical building block for future institutions. The reemergence of fraternal and mutual aid structures across multiple sectors of the economy (in housing, food, and debt alongside work) is a product of a unifying working-class cultural identity related to precarity.<sup>2</sup> Within the context of the COVID-19 pandemic, increasing climate catastrophes, violent police repression of Black and Brown communities, and a highly speculative, financialized economy, most working-class people are vulnerable to significant levels of volatility imposed on them by unaccountable institutions. In this environment, it is no wonder that communities would reach for predictable, stable, and self-governed networks as a ballast against these forces. These experiments with collective economic self-reliance, as Ahlquist notes, are critical areas of study over the coming years for understanding what future forms of labor institutions may look like. This consideration is not just about the ways in which they can function to meet material needs, but provide emotional sustenance as well, demonstrating the transformative potential of building community through mutual care. These valuable real-time models build our social capacity to participate in the kind of democratic governance crucial to a future moral political economy.<sup>3</sup>

The stunning victory of the Amazon Labor Union (ALU) at the JFK8 facility in Staten Island was built on multiple modes of mutual aid to foster community among workers. Workers shared food, money, and marijuana regularly with one another, creating a small but vibrant solidarity economy that helped them through the grueling campaign.<sup>4</sup> Organizers served food at the bus stop that many Amazon workers used on their long commute to the facility, meeting a specific materi-

al need for people who had little time to eat during shifts that lasted ten to twelve hours. The community donated money through a GoFundMe drive, and coworkers provided stipends through the Coworker Solidarity Fund, ensuring organizers had the resources to buy the food and to help one another survive economically during the campaign to form the first union for Amazon employees.<sup>5</sup> More important, however, these acts of mutualism established a stark cultural contrast between the inside of the warehouse, ruled by the company, and the outside of the warehouse (specifically the bus stop), ruled by the ALU.

Amazon's public messaging relies heavily on the fact that they pay \$15 an hour and provide benefits from "day one."<sup>6</sup> However, within the warehouses, that \$15 comes at a steep price. People experience a punishing work environment, dictated by productivity algorithms that measure "time off tasks" down to how many minutes it takes a worker to go to the bathroom.<sup>7</sup> Once inside the warehouse, the domain controlled by Amazon, the worker's body becomes the company's equipment. Every breath and movement are monitored, scored, and rated, reducing the physical self to machinery managed by a company brain as opposed to one's own.

These kinds of scoring systems are not just present in Amazon warehouses. Increasingly, workers of all kinds, especially those who earn low wages, are measured and scored endlessly by faceless algorithms.<sup>8</sup> The scoring systems, which not only assess productivity but health, behavior, sentiment, and unionization potential, treat workers as individualized assets measured as potential economic risk to the companies.<sup>9</sup> This assetization of workers creates an environment of extreme precarity due to the opaque systems for determining at random whether any given behavior by a worker is worth the risk or cost they may pose to the company. Very little of this is related to real productive output by workers, nor does it consider the multiple other variables that can impact that productivity on a daily basis. It is, quite simply, a deeply dehumanizing expression of corporate power that treats workers as interchangeable parts within a larger machine, with roots in the slave trade and colonial domination.<sup>10</sup> All while, as ALU President Chris Smalls pointed out in Amazon's example, the CEO of the company flies to the moon.<sup>11</sup>

Contrast that experience with the feeling at the bus stop where ALU organizers reigned. When workers disembarked from or waited for buses back home, organizers provided warm food, ensuring that menus reflected the racial and ethnic diversity of employees at the warehouse.<sup>12</sup> Music played. People shared marijuana to relax after a hard day. The predominantly Black and Brown organizers handed out ALU T-shirts and water bottles, while inside the warehouse, workers had to earn "swag bucks" through their own productivity to get Amazon-branded merchandise.<sup>13</sup> Organizers relied on relationships to coworkers, not spreadsheets of names and numbers, to track their progress in building support for the union. This was an effort rooted first and foremost in community knowledge. These are skills and practices of care that many marginalized people, specifically Black peo-



ple and people from immigrant communities, have maintained in order to survive economic and cultural oppression, brought to the context of organizing the warehouse. Against the millions spent by Amazon to quash organizing, we learn that the little that we have together is enough to share among us. The money, the food, and the community are durable, reliable assets. They are physical and real. They are the bus back home, not a ship bound for space.

**T**hese experiences instill in people a sense of possibility that economics and money can work in a fundamentally different way. They also create a practice of democratic sharing and accountability within institutions. Through the Solidarity Fund at my organization Coworker.org, which contributed stipends to ALU organizers among many others, we have learned that meeting both material and spiritual needs are equally critical to success. Through year one of our pilot, people who were engaged in organizing at tech companies received \$2,500 as stipends to spend on whatever would help them continue their work.<sup>14</sup> These stipends were provided by fellow workers in the tech industry and disbursed by a committee also made up of workers. Criteria were transparent and simple. You simply had to be organizing at a tech company to qualify. While no reporting was required, some workers volunteered what they used the funds for: splitting the money among other workers in their committees; covering rent so they could take time off to organize; providing water, food, and computer equipment; and even buying Christmas presents for their kids because money was tight. This variety in how the stipends were used provides a snapshot of what workers truly need to continue engaging in the workplace advocacy that makes decent jobs. It requires access to basic elements of stability that moves beyond what foundation-funded labor nonprofits or even trade unions are often structured to provide.

While meeting workers' material needs was crucial to continuing their organizing work, the spiritual sustenance of being validated and celebrated by fellow workers was equally important. Organizing work can be punishing, lonely, and long, isolating a person from their friends and family.<sup>15</sup> Many people supported by Solidarity Fund stipends were some of the lowest paid workers taking on their massive tech company employers. Due to the distributed nature of this kind of organizing and the generally atomized, decentralized structure of twenty-first-century movement work, finding ways to enable connection to others in a similar position and the sense of their part in something much bigger than themselves provided the emotional boost needed to keep going. Many of these groups continue to rely on support to create democratic governance, engage in conflict mediation, and gut-check ideas for what to do next. All of this is predicated on sharing accumulated knowledge among organizers, recognizing that the experiences workers have as they model new ways of building power provide a valuable pathway for our future.

These perspectives on organizing and decent jobs come at a moment of significant change and fluidity within the labor movement. The concepts of union membership and labor organizing are more popular than they have been in more than half a century, while the ability to achieve those precise forms of worker power in most companies is minimal. This split suggests that over the coming years of labor's resurgence, we will see a flowering of the multiple formations and structures for worker power that may inform the design of more permanent labor institutions. What has been clear from high-profile moments like the victory in Staten Island is that concepts like mutualism and communities of care, which are already components of Black and immigrant economies, will be common among many of those formations.

The labor institutions that make up the moral political economy that political scientists Federica Carugati and Margaret Levi envision will be built from these emerging formations.<sup>16</sup> To achieve this vision, we require a deeper examination of the unpaid labor, nonmonetary transactions, culture of exchange, and relationships that make unions possible. As I consider these factors, my mind goes to the theoretical framework established by economist Nina Banks, which recognizes the collective unpaid work of Black and other racialized women as an economy that supports community well-being and addresses “needs not met by private and public sectors.”<sup>17</sup> The labor that Banks outlines in her research is in alignment with the same habits of mutualism and community support that we have seen in examples like ALU's victory for the Amazon workers at the warehouse in Staten Island.<sup>18</sup> It suggests that the pathway to a moral political economy already exists in a realized form as established by Black and other racialized women. If we are to genuinely address the failures of the current political economy, it is sensible to consider the expertise of the people most marginalized by that economy and recognize their mechanisms of survival as the starting frameworks for wholesale adoption.<sup>19</sup> In fact, any future consideration of our moral political economy should not only be centered on the priorities and economic cultures established by Black and Brown working-class women, but also led by them. What is inspiring in this consideration is the realization that we, in fact, have everything we need to achieve a moral political economy in the future. It is in the organizing and power-building efforts led by workers today that we create the institutions that establish that economy in the future.

## ABOUT THE AUTHOR

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# Supply Chains & Working Conditions During the Long Pandemic: Lessons for a New Moral Political Economy?

*Richard M. Locke, Ben Armstrong,  
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*In recent decades, the global economy has become increasingly structured around supply chains that connect firms within and across national borders, a reliance that has been the subject of controversy in light of disruptions from the COVID-19 pandemic. In response to these disruptions, firms have adapted in various ways to maintain their level of production. In this essay, we describe two approaches companies pursued during the pandemic: the “sweating” strategy in which firms shifted costs onto the worker, and the “securing” strategy in which firms chose instead to invest resources into supporting their workforce. In doing so, we argue that the companies’ respective approaches in the context of the COVID-19 pandemic reflected their long-standing management models. Furthermore, we suggest that the insights gained from examining these approaches may provide a novel perspective on how to reimagine the current political economy.*

Our world is shaped by supply chains that link firms across borders, fragmenting and dispersing production around the globe and generating controversies over poor environmental and labor standards.<sup>1</sup> The COVID-19 pandemic has exposed how these supply chains, once celebrated for their just-in-time efficiencies, can make the economy more fragile, creating shortages and bottlenecks. The pandemic has not only revealed the vulnerabilities of an economy structured around supply chains, but it has given us the opportunity to reimagine how our economy can become more resilient, sustainable, and just.

Consider the different ways in which firms have responded to the pressures of the pandemic. Some doubled down on exploitative labor practices, while others charted a different path. Some firms across retail, manufacturing, and other sectors sacrificed short-term profits to invest in improved worker safety and better pay for those whose work became more crucial and less safe in the pandemic’s early stages. This latter group of firms provides potential lessons for building a new

moral political economy that privileges solidarity over “fissuring” the workforce, and worker safety and voice over short-term profitability.<sup>2</sup> Did firms embrace this more worker-friendly strategy because they discovered a new “purpose” (see Rebecca Henderson’s contribution in this volume), sparked perhaps by the dramatic losses of life and widespread sense of mutual dependence, vulnerability, and solidarity during the early months of the pandemic?<sup>3</sup> Or were they just responding to the “great resignation” and tighter labor markets that developed as the economy began to recover from the pandemic?

**B**efore the pandemic, the average consumer did not have to think much about where the goods they bought came from, or how they were made. The coronavirus did not just disrupt the supply of health-related products like lab reagents key to producing accurate testing kits or personal protective equipment. It made it harder to procure essential daily items such as food, cleaning supplies, and toilet paper.

Companies across an array of sectors responded by pursuing two alternative approaches to managing their workplaces and workforces: *sweating* and *securing*. Sweating required workers to take on more tasks in unsafe working conditions during the early stages of the pandemic. Securing saw firms invest in protecting frontline workers from coronavirus while compensating them with increased wages, time off, or other measures in return for the increased risks and burdens they faced at work. Firms that pursued the securing approach sacrificed short-term revenues to support employee well-being.

**S**ome firms and industries kept operating through the pandemic on the back of workers in critical industries. So-called “essential workers” were more likely to be low-income and less likely to be college graduates.<sup>4</sup> Black and Hispanic workers were overrepresented in sectors deemed essential during the early stages of the pandemic, such as food services and nursing assistance.<sup>5</sup>

Such workers faced dramatic risks. Data from the U.S. Occupational Safety and Health Administration show that American workers across all industries reported more than four times more illnesses in 2020 than they did in 2019.<sup>6</sup> Respiratory illnesses increased more than fortyfold, from 10,800 cases in 2019 to more than 428,700 in 2020.<sup>7</sup> The crisis was particularly acute for production and logistics workers, who already experienced higher rates of workplace injuries and illnesses before the pandemic.<sup>8</sup>

There were abundant examples of densely packed, unsafe working conditions during the early months of the pandemic. Some meat industry firms continued operations by pushing costs and risks onto their workers. When consumers began to panic-buy because of fears that meat processors would shut down because of high infection rates, President Trump invoked the Defense Production Act to des-



ignite meat and poultry producers as “essential to the national defense.”<sup>9</sup> Continued operations at U.S. livestock processing plants during the pandemic were related to higher rates of morbidity and mortality from the virus, leading to an estimated 236,000–310,000 excess COVID-19 infections and 4,300–5,200 excess deaths.<sup>10</sup> Additionally, for every worker infected at a livestock plant, between seven and eight local residents were subsequently infected.<sup>11</sup>

The sweating strategy was not limited to U.S. producers. When demand for medical gloves soared, producers in Malaysia ramped up production by turning to migrant workers. A majority of these workers lived in unsanitary and overcrowded quarters provided by their employers, facilitating the spread of the virus.<sup>12</sup> They were regularly pressed to work excessive amounts of overtime, and some employers forced them to stay through deceptive contracts that fined them for quitting or confiscated their passports.<sup>13</sup>

Employees of firms serving critical functions had longer hours and riskier working conditions. Distribution workers faced a surge in online order volumes. Retail workers had new cleaning and restocking duties, while also dealing with rude and belligerent customers. Surveys of essential workers – and workers as a whole – indicate that a majority worried about mental health or felt burned out due to increased workloads.<sup>14</sup> This helps explain why workers in low-income retail, distribution, and manufacturing positions have resigned in droves, searching for higher-paying, safer, and more manageable jobs.<sup>15</sup>

While some companies maintained operations by sweating their workers, other firms protected their workers by preventing risks or providing compensation during the COVID-19 crisis. In the early months of the pandemic, many retailers limited their hours and the number of people allowed in their stores, reducing risks for workers and customers. Home Depot closed stores early to allow more time for restocking and cleaning.<sup>16</sup> Other retailers adopted similar practices, although restricting customer traffic hurt their bottom line.<sup>17</sup> Factories redesigned their workplaces to allow physical distancing, or changed shifts so that fewer employees were present simultaneously. For example, Ford Motor Company, in coordination with the United Auto Workers union, temporarily suspended production early in the pandemic (in March 2020).<sup>18</sup> When the company restarted production in May, it introduced mandatory health checks and redesigned workstations that allowed for social distancing.<sup>19</sup> Ford also tested wristbands that would buzz whenever individuals came within six feet of one another, making it easier to trace contacts if an employee tested positive for the virus.<sup>20</sup>

Firms also improved benefits and pay for essential workers who took on extra work and risk during the pandemic. Some companies – including Home Depot and other retailers – gave employees paid time off if they had been exposed to

the virus, encouraging them to quarantine. Others compensated workers for the expanded duties and risks they had taken on during the initial pandemic surge, through means ranging from one-time bonuses to longer-term raises.<sup>21</sup> Target, for example, accelerated its commitment to a \$15 per hour minimum wage to its employees, and offered periodic “hazard pay” bonuses to essential workers.<sup>22</sup>

Why did some firms favor sweating and others securing? Perhaps industries like nursing homes and long-term care facilities, with high numbers of essential workers and dense workplaces, found it too expensive to secure workers given their underlying business model, while firms in other sectors with different financial conditions and competitive strategies found securing less burdensome? However, this does not explain variation within sectors.

**T**yson Foods and Sanderson Farms both faced outsized pressure to continue producing during the early months of the pandemic. The federal government mandated that meat processing facilities remain open, leading to especially poor workplace safety conditions during the early phases of the pandemic.<sup>23</sup> Yet these two firms ended up with quite different responses.

Tyson is the largest poultry processor in the United States, and Sanderson Farms is the third largest, with 137,000 versus 18,000 employees, respectively. Both firms are publicly traded, enabling us to compare financial data and disclosures about the companies’ response to the COVID-19 pandemic. They operate in similar geographic areas and compete in the same markets and market segments.

Controversies over food processors’ treatment of workers go back to Upton Sinclair’s 1906 novel *The Jungle*.<sup>24</sup> A government review of the labor conditions in meat processing facilities in the late 1990s found a majority of plants were violating “wage and hour and safety and health laws,” and workplaces were so densely packed that coworkers risked cutting one another with their knives.<sup>25</sup> It is unsurprising that COVID-19 would spread quickly through these facilities, or that Tyson and Sanderson had limited choices. They could not shut down production like automakers, or even suspend operations to reorganize themselves, because the government deemed their activities “essential.”

Initially, both companies apparently pursued similar policies, consistent with the guidelines from the Centers for Disease Control and Prevention (CDC). They pledged to sanitize workspaces and check workers’ temperatures, sending those with a fever home. Yet by May 2020, Sanderson Farms had recorded only 400 positive cases of COVID-19 (approximately 2 percent of their workforce), while Tyson Foods had reported more than 2,800 COVID-19 cases in the State of Arkansas alone (approximately 12 percent of the company’s workforce there).<sup>26</sup> Eighteen COVID-19 deaths had been linked to Tyson by May 2020, while some reports alleged that Tyson had suffered three times more cases and twice as many deaths per worker than any other firm in the industry.<sup>27</sup>

Apparent similarities in management approaches disguised important differences in practices during the initial outbreak. Even before the first cases of COVID-19 had been identified in the United States, Sanderson Farms established a COVID-19 task force and procured personal protective equipment (PPE) for its workforce. When its first employee was infected on March 23, 2020, Sanderson notified all other employees in the worker's facility, and quarantined the six other employees in the infected employee's work area, coordinating with local and state-level health authorities.<sup>28</sup>

Public statements from Tyson indicated that it also established a COVID-19 task force and put policies in place to protect workers. However, lawsuits and investigations suggest that the company's actions were inconsistent with its public announcements. One lawsuit alleges that Tyson plant managers in Waterloo, Iowa, downplayed the dangers of COVID-19 to their workforce while setting up a daily betting pool on how many workers would test positive for the disease.<sup>29</sup> More than one thousand workers tested positive, several were hospitalized, and six died.<sup>30</sup> Tyson was slow to provide data to public health officials, limiting their ability to monitor and contain the spread. Both a class action lawsuit on behalf of Tyson shareholders and the New York Comptroller suggested that the company's disclosures regarding its COVID-19 response were misleading.<sup>31</sup> While the company emphasized publicly that it was promoting social distancing and providing PPE, the Comptroller cited reports that employees were working in close quarters, with only plastic sheeting between them, covering their faces with bandanas.<sup>32</sup>

Compensation and leave differed at the two firms. Sanderson Farms provided employees who had symptoms or needed to quarantine with paid time off for up to fourteen days, the then-recommended isolation period for infected individuals.<sup>33</sup> At Tyson, employees who were ill could stay home by taking short-term disability, but were initially eligible for only 60 percent of their pay (this was later briefly increased to 90 percent).<sup>34</sup> Although Tyson suspended its policy of penalizing absentee workers with symptoms or who needed to quarantine at the beginning of the pandemic, it reinstated this policy in June 2020.<sup>35</sup>

Both companies provided attendance incentives for employees early in the pandemic to maintain production. Tyson gave employees one-time bonus payments of \$500, once in May and once in July 2020, both contingent on consistent attendance.<sup>36</sup> Workers who were absent due to illness or childcare concerns, however, still qualified.<sup>37</sup> Sanderson Farms also attempted to reward attendance, providing workers with a weekly attendance bonus of \$1 per hour, from March 30 to June 26, 2020.<sup>38</sup> Employees had to have perfect attendance for the entire week to receive the bonus.<sup>39</sup>

Facing limited case numbers at its facilities, Sanderson Farms did not dramatically change its COVID-19 protocols in 2020 or 2021, providing facility-wide testing when communities experienced surges of COVID-19, but not enforcing any

universal testing protocol. Consistent with the firm's comparatively high wages for the industry, Sanderson Farms announced another wage increase in 2021 with entry-level wages at over \$16 per hour.<sup>40</sup>

Tyson made bigger changes after the outbreaks at its facilities in early 2020. The company implemented widespread testing of its workforce, which revealed surges in COVID-19 at various Tyson facilities during 2020.<sup>41</sup> As a result, Tyson plants experienced periodic closures. As the pandemic progressed, Tyson appears to have adopted stricter employee protections consistent with CDC guidelines, but it is unclear how – if at all – these protections translated into a safer work environment. Between March 2020 and February 2021, Tyson reported 29,462 COVID-19 infections and 151 deaths, more than double the infections and deaths of any other large food processing firm.<sup>42</sup>

Why did Tyson and Sanderson take such different approaches to workplace safety and employment relations during the pandemic? Over fifty years ago, management theorist Douglas McGregor observed that a firm's choices about organizing work and managing workers are shaped by management's underlying assumptions.<sup>43</sup> Workers can be seen as either variable costs to be reduced, reluctant contributors to the firm's prosperity who require constant supervision and control; or as assets to be valued and developed, multifaceted individuals who are intrinsically motivated to work and contribute to their workplaces. The differing approaches to the pandemic at Tyson and Sanderson reflect their long-standing attachment to opposing models of management.

Before the pandemic, Tyson underwent multiple investigations associated with illegal or unsafe employment practices, and saw its executives and managers indicted in 2001 for “conspiracy to smuggle illegal aliens” to work at Tyson Foods processing plants, a scheme that allegedly reflected Tyson's broader corporate culture.<sup>44</sup> While several managers took plea deals and testified against Tyson, the company executives were ultimately acquitted at trial.<sup>45</sup> In 2015, Oxfam America released a report on labor practices in the poultry processing industry focused on the low wages and poor health and safety standards at Tyson Foods.<sup>46</sup> Tyson's workers complained that the line speed was too fast, causing physical problems, and that they frequently wore diapers because they were not allowed bathroom breaks.<sup>47</sup> Since 2017, Tyson facilities have been the subject of more than 230 inspections with the Occupational Safety and Health Administration (OSHA), reflecting incidents that range from amputations to broken bones.<sup>48</sup>

Sanderson Farms too underwent OSHA inspections before the pandemic, saw complaints about low wages and injuries on the job, and pressed workers not to take bathroom breaks.<sup>49</sup> Yet according to Violation Tracker data, Sanderson Farms paid only \$5 million in fines for safety and wage and hour violations, as compared with the \$74 million in penalties by Tyson Foods, which has approximately seven times as many employees as Sanderson, but almost fifteen times as

many penalties for violations.<sup>50</sup> According to a *ProPublica* analysis of OSHA data, in 2017, Sanderson boasted the fewest OSHA violations (per one thousand employees) among its poultry industry competitors.<sup>51</sup>

These prepandemic patterns are consistent with the two firms' respective pandemic responses of sweating or securing their workers, although there is some evidence that Tyson began to change its response during the pandemic, promoting testing, enforcing a vaccine mandate, and offering a \$200 bonus to frontline workers who could prove they were vaccinated, perhaps suggesting a newfound commitment to the health and safety of its workers.<sup>52</sup> By November 2021, over 96 percent of Tyson's workforce was vaccinated.<sup>53</sup> Additionally, Tyson announced plans to offer paid sick leave starting in January 2022, and has begun offering signing bonuses and more flexible work schedules.<sup>54</sup> It increased starting pay for line workers in 2021 to \$15.20 per hour.<sup>55</sup> This was still less than what Sanderson Farms paid similar workers, but provides evidence (together with the pandemic bonus payments) that Tyson's approach to employment relations may have evolved in 2021.

**T**hese different approaches raise an important question. Can firms with a legacy of sweating their workers learn from the challenges they faced during the pandemic and adopt a more worker-friendly approach to managing their operations? The evidence is still preliminary, and Tyson is only one case, but the firm's changes after the first disastrous months of 2020 provide cautious grounds for optimism. Tyson is not alone. Other firms that sweated their workforces show signs of shifting their employment practices after the pandemic.

For example, Walmart has long been criticized for relatively low wages and poor employee benefits. Yet during the pandemic, it reduced store hours, limited capacity in stores, provided PPE to workers, and instituted physical protections like plexiglass barriers. Walmart relaxed its paid time off policies to reduce pressure on workers who became ill or needed to quarantine, and instituted regular temperature checks at store locations to monitor employee health.

This expensive approach to worker safety is impressive for a firm with a checkered past in terms of supporting employees and a business model focused on the lowest possible prices. After initially paying one-time bonus payments (\$300 for full-time and \$150 for part-time employees), Walmart also increased its base pay and minimum wage to \$12 per hour, while committing to cover 100 percent of the cost of employee education and expanding employee access to mental health resources.<sup>56</sup>

Of course, these changes may be due to a tight labor market and the "great resignation," rather than any deep-rooted change in underlying assumptions or business models. Even so, the current moment may allow producers and their suppliers to reimagine how they could manage their operations and their employees. New possibilities may emerge during a crisis as severe as the COVID-19 pandemic.

More research is required to assess the viability of this securing strategy across different industries and countries. But the experiences we have documented here suggest there is a much greater range of possibilities for how we reimagine our political economy than was apparent even a few years ago.

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#### ENDNOTES

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# Doing Well by Doing Right

*Joshua Cohen*

*Richard Locke, Ben Armstrong, Samantha Schaab-Rozbicki, and Geordie Young speculate that COVID-related challenges might lead firms to shift their assumptions about workers in ways that open up new political-economic possibilities, with benefits for workers in safety, compensation, and voice. I am skeptical about the idea of such COVID-induced learning. Drawing on an analysis of the costs of high turnover in the electronics supply chain, however, I argue that more generous assumptions about workers appear to have operational benefits. Understanding those operational benefits might lead firms to be less resistant to demands from workers for the kinds of jobs that Locke and his coauthors celebrate.*

In their illuminating contribution to this wide-ranging conversation about a new moral political economy, Richard Locke, Ben Armstrong, Samantha Schaab-Rozbicki, and Geordie Young focus on the conditions of workers in global supply chains and how the COVID-19 pandemic might reshape those conditions.<sup>1</sup>

They build their case around a contrast between responses to COVID-19, exemplified by Tyson Foods and Sanderson Farms. Operating in similar industries, geographies, and markets, these two firms have treated their employees in fundamentally different ways during the pandemic.<sup>2</sup> Tyson Foods *sweated* its workers. Sanderson Farms provided greater *security*. What explains the differences in strategy?

Tyson assumed that workers are “reluctant contributors to the firm’s prosperity who require constant supervision and control.”<sup>3</sup> Sanderson Farms assumed that workers are “assets to be valued and developed, multifaceted individuals who are intrinsically motivated to work and contribute to their workplaces.”<sup>4</sup> In short, Locke and his coauthors argue that the differences in firm behavior reflected competing *managerial assumptions* about the capacities and motivations of workers.

In emphasizing the strategic importance of managerial assumptions about human capacities and motivations, Locke and his coauthors draw on management theorist Douglas McGregor’s classic book from 1960, *The Human Side of Enterprise*.<sup>5</sup> McGregor was a psychologist, friend of Abraham Maslow, and early member of MIT’s Sloan School faculty. He called the theory of workers as reluctant contributors requiring detailed control *Theory X*, and the theory of workers as multifaceted individuals and intrinsically motivated *Theory Y*. McGregor favored Theory Y.

Locke and his coauthors share McGregor's emphasis on the strategic importance of managerial assumptions and his enthusiasm for Theory Y. Those thoughts lead them to wonder whether managers at firms that faced difficulties like Tyson did during the early stages of the pandemic might shift their assumptions in ways that support securing rather than sweating. That change of assumptions – learning new managerial assumptions from the experience of the COVID-19 pandemic – might in turn expand our sense of political-economic possibility.

This argument about the strategic implications of shifting managerial assumptions is fully general: it applies to, but is not confined to, firms in global supply chains. My comments are intended to be similarly general, applicable but not confined to workers in global supply chains.

One influential line of criticism of McGregor's important book observes that Theory X works pretty well in some organizations. The right way of organizing and managing work depends, these critics argued, on the *kind of work*. With routine tasks, Theory X makes sense. With tasks requiring problem-solving by workers, Theory Y works better. The best approach is *contingent on* "the nature of the work to be done:" thus, *Contingency Theory*.<sup>6</sup>

While doing research on high worker exit in some suppliers in the electronics industry, I heard a forcefully stated version of Contingency Theory from a senior executive at a contract manufacturer. We were observing exit in the range of 5–7 percent a week, close to the level at Ford before the 1914 introduction of a \$5 day.<sup>7</sup> The executive acknowledged that high exit might be a concern for some firms. But he said (I am paraphrasing): "We are doing single-SKU [stock-keeping unit], high-volume production. We do not need to worry about high rates of exit." This executive had taught industrial engineering for many years, and I thought of his comment as a letter-perfect rendering of an industrial engineer's intuition: the high exit rate is anticipated, so firms can design strategies to protect factory operations from the potentially negative effects of high exit. The strategies of mitigation include:

- Producing on assembly lines with the pace of production controlled by the speed of the line;
- Simplifying standard operating procedures at each station on the assembly line by reducing those procedures to routine operations with short cycle times performed on units held in place by fixtures;
- Prebuilding and hiring extra people in anticipation of periods with especially high exit;
- Redistributing experienced workers and adjusting line speeds in response to especially high exit.



These strategies aim to create a manufacturing process that does not depend on a worker's skill, experience, or social connections. Theory Y sensibilities – about intrinsic motivations and integrating personal goals with the goals of the firm – may, that executive acknowledged, be nice and humane, but mass production can work perfectly well from Theory X, with its emphasis on simplification, monitoring, control, and an attendant relaxed attitude to high turnover.

An alternative intuition – I will call it the *humanist intuition* – is that high levels of worker exit must create some operational troubles. The guiding intuition is that the success of the labor process always depends in some ways on the accumulated work experience, skills, and social connections of the people involved. The humanist intuition does not deny that different kinds of organization make sense under different circumstances. But it suspects that there are limits to the power of Theory X–inspired strategies of buffering or insulation, and benefits to a strategy guided by the idea of workers as human beings who should be valued and whose capacities and connections should be developed.

To assess the power of these competing intuitions, my collaborators and I studied the impact of high worker turnover on production at a single facility: a large final assembly site in a complex supply chain.<sup>8</sup> We had full access both to administrative data about employees and their location in the assembly and testing process from a contract manufacturer and production data from a lead firm. The administrative data on more than fifty thousand employees (employed over a nine-month period) showed a mean turnover rate of 5.1 percent per week, with lots of temporal variation, from a low of 2.9 percent just before the monthly pay week to a high of 8.9 percent in the pay week. The production data included both test results from the *many* test stations used in the final assembly process, and four years of data on “field failures” for the tens of millions of products that were shipped over that same nine-month period. Field failures are the units that passed all the rigorous tests in the assembly process, were sold, and, during the subsequent four years, needed to be repaired or replaced. These data enabled us to ask, among other things: In weeks with higher turnover, are more units produced that failed in the field? More precisely, when workers leave at higher rates, does that cause a decline in product reliability?

The short answer is *yes*. Simplifying a more complicated argument, we observed that units produced in the highest turnover week, the week of the month when workers are paid, were 10.2 percent more likely to fail in the field than units produced in the lowest turnover week before payday.<sup>9</sup> Despite all the extraordinary efforts at simplification and control, we found a continuing dependence of product reliability on the accumulated skill, experience, and social connections of workers assembling products.

Given the incredibly rigorous testing before units are shipped – testing of components, functionality, and appearance – it may come as a surprise that field fail-

ures increased when turnover jumped. How could the units that ended up with troubles in the field have passed all the tests? Think of it this way. Someone puts a component in a device. The component works, and the device passes the tests. But suppose, for example, the component is not as securely in place as it might have been – and would have been with a more experienced assembler. With normal use, the slightly insecure component displaces more quickly and the device needs to be repaired.

To be clear: even devices assembled during high-turnover weeks do well in the field. So the industrial engineer's intuition is not wildly misguided. Still, that 10.2 percent increase is a big deal when the facility is producing tens of millions of units. In short, and contrary to the industrial engineer's intuition, a dose of Theory Y may be important, even in circumstances – single-SKU, high-volume production – that seem most promising for Theory X's focus on supervision and control.

**S**o, I share the sensibilities that animate Locke, Armstrong, Schaab-Rozbicki, and Young. I find those sensibilities ethically more compelling and, for the reasons I have sketched, I think they also confer operational benefits. Even in the setting I described, it is a mistake to think of workers as objects to be controlled rather than subjects whose skills, experience, and relationships matter for operational success.

At the same time, I am skeptical about the thought that managerial experience during the COVID-19 pandemic will change fundamental assumptions about work and workers. Not by itself. Firms that faced challenges during COVID can attribute the problems to the singular experience of operating in a once-in-a-century pandemic. That experience might produce a temporary shift in behavior. I am not sure why it would prompt a change in fundamental assumptions about people.<sup>10</sup>

I do expect that the pandemic's supply-chain disruptions, in conjunction with the politics of populism, will generate important supply-chain shifts, with strong pressures for onshoring (and for reshoring, to new geographies). Moreover, shifts in power associated with tighter labor markets and increased pressures from worker organizing will likely lead to better compensation and working conditions, with surer effects on improved treatment for workers than managers' new embrace of old theories about management.

I do not mean to deny that managerial views matter. Arguments like the one I have presented here – about operational benefits of treating people as contributors to success rather than as tools to be controlled – may reduce the resistance of firms to making changes they feel pressured to make. They may be more willing to absorb the costs of greater compensation and better conditions at work, indeed to see those costs as investments with a positive rate of return.

In the case I have described, reducing turnover by providing greater compensation, thus reducing the rate of field failures, would have resulted in some sav-

ings. Recognizing that you can reduce costs by respecting skills, experiences, and social connections and paying more to retain them – even in the context of single-SKU, high-volume production – may reduce managerial resistance to worker pressure for both respect and compensation. And that reduced resistance may itself help to expand the range of political-economic possibilities in the ways that Locke and his coauthors hope.

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#### ABOUT THE AUTHOR

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#### ENDNOTES

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- <sup>2</sup> Sanderson Farms and Tyson Foods are very different in a variety of ways that Locke and his coauthors do not discuss: Tyson is more than an order of magnitude larger in employees and revenue, processes and markets beef and pork as well as chicken, is a very large beef exporter, and sells through a number of brands. Sanderson Farms is exclusively in the poultry business.
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- <sup>6</sup> For an early discussion, see John J. Morse and Jay W. Lorsch, “Beyond Theory Y,” *Harvard Business Review*, May, 1970, <https://hbr.org/1970/05/beyond-theory-y>. Though I do not wish to pursue this thread here, it needs to be said that the “nature of the work,” whether routine or not, is an odd foundational explanation for how work is organized and managed. After all, any routinized work process can be reorganized to be non-routinized. The “nature of the work” is a matter of choice, not best understood as a parameter to which organization and management must adapt.
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# Unchaining Workers

R. Alta Charo

*An influential report on protecting the medical supply chain in the next pandemic fails to include a commitment to protecting the workers who protect the supply chain. The securing strategy outlined by Richard Locke, Ben Armstrong, Samantha Schaab-Rozbicki, and Geordie Young offers examples of such an approach, and the analytical framework for protecting the chain – awareness, mitigation, preparedness, and response – can be applied equally well to the workforce. Considerations of equity and fairness should lead us to unchain the workers strung along the chain of medical and consumer supplies.*

In their essay, Richard Locke, Ben Armstrong, Samantha Schaab-Rozbicki, and Geordie Young describe a morally superior approach to worker management under conditions that stress the supply chain, a “securing” strategy that prioritizes worker interests over the short-term profitability that characterizes what they deem a “sweating” strategy.<sup>1</sup> The latter strategy, which exacerbates an already uneven pattern of benefits and burdens during the COVID-19 pandemic, speaks to the distributive justice concerns at the heart of how we manage the supply chain during periods of stress.<sup>2</sup> These concerns include the equality (or lack thereof) in our regard for the human dignity of each person affected by the pandemic, equity (or lack thereof) in the degree of economic and physical injury suffered by various persons and communities, and fairness (or lack thereof) in the laws and policies governing rights and responsibilities during this public health emergency.

As Locke and his coauthors note, sweating strategies exposed workers to dangerous conditions, ranging from workplaces that facilitate viral transmission to extended work hours that add to exhaustion and interfere with access to health services. And those subjected to these conditions were already likely to have suffered from inequities. These employees “were more likely to be low-income and less likely to be college graduates. Black and Hispanic workers were overrepresented in sectors deemed essential during the early stages of the pandemic, such as food services and nursing assistance.”<sup>3</sup> Thus, the supply chain’s sweating strategy acted as an additional layer of burden on top of an already inequitable set of disadvantages.

Nor were the benefits of a functional supply chain distributed equally or equitably. While the supply chain needed to be propped up to ensure availability of

medical equipment and supplies, these same workers and their families were often less able to access adequate health services than the rest of the population, thus bearing a greater burden with fewer benefits.<sup>4</sup> Further, they could not partake equally in the range of foods and consumer goods, often priced beyond their reach, that a functioning supply chain provided to those better off.

The availability of medical equipment and supplies, of course, was most crucial. A recent report from the U.S. National Academies of Sciences, Engineering, and Medicine (NASEM) called for a four-step approach “to serve the overarching goal of making the American public safer and more secure, [by creating] a framework for systematically enumerating, evaluating, and combining measures into a cost-effective medical product supply chain resiliency strategy.”<sup>5</sup> The recommended framework consisted of four steps: awareness, mitigation, preparedness, and response. The first three correlate with Locke and his coauthors’ category of “prevention” as part of a securing strategy, while the last speaks to physical response but could – and should – speak to compensation.

For each step, the NASEM report identifies actions that can prepare the country for supply chain interruptions and position it to respond, whether due to a shortage of goods or labor. Indeed, it treats labor as just another form of goods. And while certainly a crucial aspect of supply chain management is ensuring an adequate labor supply in essential positions, we must consider what is due to those who labor, not simply to maintain their position in the chain for the benefit of all, but to respect their dignity, reward their efforts, and protect their well-being for their own benefit.

**T**he NASEM framework begins with awareness, which entails identifying supply chain risks. It notes that awareness requires data transparency, and a means to interpret and share the resulting information so that the country can prepare to mitigate, prevent, and respond to disruptions up and down the chain.

Rather than focusing exclusively on awareness of points of potential shortages of goods or workers in essential areas, one might consider adding awareness of the needs and vulnerabilities of workers. This might include better definitions of essential work (while noting that every worker – every person – is essential, but that tasks may or may not be essential). It could entail regularly revisiting the definition of essential tasks, and in light of changing demographics, identifying areas of convergence between essential tasks and an underlying workforce already struggling with burdens and vulnerabilities such as poverty, poor health, inadequate health care, complex family obligations, and citizenship status. Integrating this task with awareness of the kinds of risks associated with certain kinds of work, such as personal contact during an infectious disease outbreak, or family obligations during natural disasters requiring remote deployment, would allow for more sensitive mitigation, preparation, and response that maximize concern for workers’ well-being while still meeting a supply chain challenge.



According to the NASEM report, mitigation measures are needed to reduce the scale of disruption to the supply chain. Such measures include using quality control systems to reduce the risk of recalling or decertifying medical equipment at the time it is most needed. A comparable emphasis on workers themselves might include a system that evaluates workers in advance for their eligibility for various kinds of tasks during a pandemic or other emergency, so that those least vulnerable to physical or social harm can be deployed before turning to those for whom certain tasks would be particularly dangerous, and who – without such mitigation effort – will likely not be excused until they have sustained some injury.

Preparedness involves taking action that will prevent the most grievous harms before an emergency. It may include pre-event emergency plans for altering workplace schedules, layouts, and delivery systems. As to supplies, stockpiling is a classic form of preparedness, as it helps to avoid shortages of goods needed by society. Equally important, however, is stockpiling those things needed to protect the well-being of workers, not only to keep them on the job, but also as a means of respecting their own interests. By one estimate, in the first nine months of the pandemic, when personal protective equipment (PPE) was at its most scarce and distribution at its most chaotic, about six hundred thousand cases of COVID-19 and three thousand resulting deaths occurred among U.S. health care workers alone, and double that number of deaths across all categories of workers deemed “essential.” If adequate PPE would have halved the number of deaths, the financial losses averted might easily have been comparable to the cost of stockpiling in advance the supplies needed to efficiently confront such an emergency. But more to the point, the human suffering of those who became sick and died, and of those who loved and depended on them, might have been eased or avoided entirely.<sup>6</sup>

Similarly, those early months of the pandemic were characterized by chaos in the distribution of PPE, with hospitals and states competing with one another in the private market, resulting in the breakdown of any rational system of distribution that reflected relative need.<sup>7</sup> A preexisting plan for assessment and distribution of crucial health-preserving supplies, whether PPE or workplace safeguards, is a form of preparedness aimed at worker well-being as much as public needs for uninterrupted supply chains. And once shortages do occur, such rationing and distribution plans for protective gear and worker assignments would constitute a response measure, akin to the crisis standards of care that have been drawn up to manage medical triage for patients during times of emergency. Other response measures would include bonus pay, easing requirements for paid personal and sick leave, adaptive rescheduling, and onsite health screening with assistance for workers who need to make arrangements for care.

“Total worker health” is one approach that incorporates these responses to safeguard the labor force during a pandemic, one that “integrates worker safety, health, and well-being into an organization,” and includes six key characteristics:

focusing on working conditions, utilizing participatory approaches, employing comprehensive and collaborative strategies, securing a commitment from leaders, adhering to ethical and legal standards, and making data-driven changes.<sup>8</sup>

In a similar vein, political scientists Susan Helper, John V. Gray, and Beverly Osborn argue that, in addition to focusing on shareholder profit, there should be a focus on “total value contribution,” which “explicitly encourages managers to consider other things they say they value – such as safe, reliable, and sustainable global supply chains.”<sup>9</sup>

Both of these measures fit comfortably within the commitment made by leaders of major companies, announced in the Business Roundtable’s 2019 “Statement on the Purpose of the Corporation.”<sup>10</sup> In this departure from previous notions of a corporation’s purpose focused almost solely on return on investment for shareholders, the Roundtable identifies duties to serve consumers and communities, and a duty to provide employees with training, fair compensation, and, perhaps most important, dignity and respect. Such respect must be understood to encompass not only hazard pay, but a comprehensive approach to prevent and mitigate harm to protect their overall well-being.

Locke, Armstrong, Schaab-Rozbicki, and Young cite examples of companies that exemplify the values one might want to build into a “new moral political economy that privileges solidarity over ‘fissuring’ the workforce, and worker safety and voice over short-term profitability.”<sup>11</sup> They describe the moral and, it would seem, even economic success of companies that adopt a securing strategy that treats workers as valuable assets and individuals as having worth in and of themselves. But whether from motivations of morality or economics, it is important to make companies and governments implement a securing mindset.<sup>12</sup> One method to make that easier might be to take a page from the analysis undertaken by NASEM, and apply it to people as much as to things. Workers are not mere goods to be strung along a supply chain.

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ENDNOTES

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- <sup>2</sup> John Rawls, *A Theory of Justice* (Oxford: Oxford University Press, 1971); and Hugo Adam Bedau, “Social Justice and Social Institutions,” *Midwest Studies in Philosophy* 3 (1) (1978): 159–175, <https://doi.org/10.1111/j.1475-4975.1978.tb00355.x>.
- <sup>3</sup> Locke, Armstrong, Schaab-Rozbicki, and Young, “Supply Chains & Working Conditions During the Long Pandemic,” 132.
- <sup>4</sup> Cora Bagley Marrett, Camara P. Jones, Mark Alexander, and Cato T. Laurencin, ed., *COVID-19 and the Present and Future of Black Communities: The Role of Black Physicians, Engineers, and Scientists: Proceedings of a Workshop* (Washington, D.C.: National Academies Press, 2021), <https://doi.org/10.17226/26146>.
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- <sup>11</sup> Locke, Armstrong, Schaab-Rozbicki, and Young, “Supply Chains & Working Conditions During the Long Pandemic,” 131–132.
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# Identity Group Stratification, Political Economy & Inclusive Economic Rights

*Grieve Chelwa, Darrick Hamilton & Avi Green*

*This essay demonstrates the necessity of formally incorporating identity group stratification as a pillar alongside economic and political understandings of any political economy framework. We make our case by juxtaposing mutual inadequacies and myopic limitations associated with two influential but polar political economy frameworks – Marxian and public choice theory – since neither framework formally incorporates an identity group stratification lens beyond class reductionism. Finally, in addition to presenting an identity group stratification lens to economic thought, we present an Inclusive Economic Rights policy framework as a critical baseline component of human rights, foregrounding political economic tendencies toward identity group stratification as a pathway forward to achieve a “moral political economy.”*

This issue of *Dædalus* is concerned with the question of how to create a “new moral political economy.” Federica Carugati and Margaret Levi are explicit in emphatically stating that such an economy would have to dispense with neoliberalism, the political economy framework that has held sway over the last seven decades or so and is responsible for a concentration of both economic and political power, and the many crises we find ourselves in.<sup>1</sup> They emphasize a fierce urgency for a new framework to make society more inclusive and humane. That is the north star toward which we all should aim.

We argue that any vision for a moral political economy has to be, by design, management, and implementation, intentionally inclusive of all social identity groups (for example, race, ethnicity, gender, and so on), especially those that have been marginalized. The importance of a systemic political economy approach to understanding society often enjoys a resurgence whenever society undergoes a crisis of epic proportions. At least since the global financial crisis of 2007–2008, social scientists have excavated the analytical tools of political economy in attempting to understand the interrelationships between society’s interest groups and how such relationships resulted in the crisis.<sup>2</sup> Further, the heightened sense of the dangers of the climate emergency, in addition to the historic protests calling for racial justice in the United States in the summer of 2020, and, of course, the

unprecedented near pause of economic activity in the face of a global health crisis born out of the COVID-19 pandemic have added to the appeal of political economy in the present moment.<sup>3</sup>

The resuscitation of interest in political economy presents an opportunity for a critical engagement of various approaches. To build an analytical framework that accurately describes contemporary and historical political economy, it is necessary to understand and theorize around the integral and iterative role of identity group stratifications (IGS), along with the economic and political structures that come with it. In fact, altering the status quo demands it.

By “identity group stratifications,” we mean the sorting of individuals into groups and the differential treatment that arises based on such sorting.<sup>4</sup> An older and extensive literature in sociology documented how society is characterized by stratifications that go beyond class to include race, gender, religion, ethnicity, caste, and other categories.<sup>5</sup> Given the interest of political economy in group interactions and contestations, incorporating wider conceptions of groups beyond class becomes critical in our efforts to forge a new moral political economy grounded in analytical authenticity. Further, it incorporates some of the central tenets of critical race theory: namely, the ways identity itself can serve as an investment, and how it can be codified into marketized value.<sup>6</sup>

By juxtaposing against two polar but influential political economy frameworks, Marxian political economy and public choice theory, we make the case for a political economy framework that more formally incorporates IGS.<sup>7</sup> In this way, we reveal that both Marxian political economy and public choice theory are inadequate and blind to the role that IGS plays in shaping our political economy. In the final section of the essay, we introduce *Inclusive Economic Rights* as a moral policy framework and a component of human rights that emerges from foregrounding IGS as a pathway forward to achieve a moral political economy.

**T**heory aside, the empirical reality of group-based disparities that persist and even widen with higher socioeconomic attainment motivates our foregrounding identity group stratification in political economy. In the specific case of the United States, for instance, one of its most enduring aspects is the degree of racial stratification particularly in, but not limited to, the economics sphere. Perhaps most enduring is the racial wealth gap that has its genesis in chattel slavery when Black people were literally the capital of an enslaving White plantation class. As of 2019, the typical Black household had 12 cents for every dollar in wealth held by the typical White household.<sup>8</sup> Other wealth surveys looking at much more localized data have found racial wealth gaps that are much bigger than the national median.<sup>9</sup> Unlike income and education, it was not until the 1980s that U.S. data sets began to measure more regularly and systematically household wealth across race.<sup>10</sup>

Despite secular improvements in Black-White disparities in education and income, when it comes to wealth, the racial gap has largely remained unchanged since such data began to be systematically collected. As demonstrated by economist Darrick Hamilton and sociologist Regine O. Jackson, there has never been a substantial Black middle class with respect to wealth.<sup>11</sup> Perhaps as pernicious as the enduring nature of the racial wealth gap is its tendency to rise rather than subside across families as educational attainment rises, demonstrating that education pays off less for Black people than it does for White people.<sup>12</sup> A narrow focus on Black educational attainment without understanding the wider political economy context fosters what social psychologist Jennifer Richeson has referred to as a “mythology of racial progress.”<sup>13</sup>

The limited explanatory power of education, hence human capital, and the extent of the racialized nature of America’s political economy go well beyond wealth. Black people face an unemployment rate that is on average twice that of White workers, irrespective of age and education.<sup>14</sup> In terms of earnings, Black workers are paid less than their White counterparts, irrespective of social and economic characteristics.<sup>15</sup> Moreover, across business cycles, racial disparities in earnings widen and widen more for those with higher levels of education, further emphasizing the role of social identity hierarchy in establishing distribution of socially desired outcomes and how that intensity of sorting becomes magnified in the throes of a recession.<sup>16</sup> Black workers are the first fired in a recession and last hired once the economy recovers.<sup>17</sup> In their report on economic recovery from the COVID pandemic, Darrick Hamilton and his coauthors showed that, although unemployment suddenly spiked for everyone regardless of race, of the workers defined as “essential,” who were required to physically show up, Black and Latinx workers were overrepresented in low-wage customer and coworker contact-oriented occupations where health risks were the greatest due to proximity.<sup>18</sup> These conclusions were true even after educational attainment was taken into account.

Given the roles that race and identity play in profoundly shaping outcomes across time, its absence as a focal point in political economy analyses is gratuitous and myopic.

**I**n this section, with the eventual purpose of demonstrating the value of an identity group stratification–lens, we outline the main contours of two well-known approaches to political economy analysis: Marxian and public choice theory. We choose these two because they have had great influence on scholarship, and are polar representations with regard to notions of capital, choice, and the roles of government. The latter point has especially been the case for public choice in the United States over the last fifty years.<sup>19</sup> What is common about these two approaches is their blind spots insofar as race and IGS are concerned.

The public choice approach to political economy was made famous by the writings of economist James M. Buchanan, who eventually won the Nobel Memorial



Prize in Economic Sciences. In this frame, society is composed of different interest groups: voters, politicians, bureaucrats, businesspeople, and so on. However, individuals within each group are “rational” utility maximizers engaging in behavior that is self-interested.<sup>20</sup> Public choice, therefore, shares the methodological individualism typical of neoclassical economics but with a nuance: constituent group membership, in particular when accessing the public sector apparatus, creates counterproductive special-interest incentives that deter from market-based, individualized, incentivized rewards and punishments related to the so-called “public interest.”<sup>21</sup> While neoclassical economics is grounded in the implications of methodological individualism in market transactions, public choice draws out its implications in nonmarket settings. A main prediction of public choice analysis is that, in serving their own interests, individuals in different groups are likely to engage in strategies that do not serve the public interest. This approach yields a policy implication: limited government that enforces property rights in order to prevent the capture of the public welfare by particular interest groups.

The public choice approach to political economy does not have an explicit role for race except to say that questions about racism, discrimination, and differential treatment of groups cannot be resolved by government, because, at its core, the theory defines government as an entity that can be captured by special interests.<sup>22</sup> In this framework, racism is addressed by reducing the scope of government, and in its turn, encouraging economic competition with the market sanctioning bigoted behavior, and rewarding merit, effort, and human capital investments.<sup>23</sup>

No scholarship emerges without political and social context, and, for that matter, purpose. Scholars are not immune or ignorant to social and political contexts. As historian Nancy MacLean notes, despite its *laissez-faire* presumption that racism is implicitly and naturally sanctioned by market forces, public choice was not devoid of racial concerns and purpose. Using carefully conducted archival research, MacLean argues that the political and public rise of public choice economics was a reactionary and racist response appealing to racist sentiment about the gains of the civil rights movement of the late 1950s and the 1960s.<sup>24</sup> She further argues that it is not coincidental that public choice came into its own during the segregationist politics of 1950s and 1960s Virginia at the time that James M. Buchanan, a key proponent and architect of the theory, was a professor at the University of Virginia. MacLean shows how Buchanan’s early scholarship, conducted at the behest of Virginia’s political and business elite, was motivated by countering the move toward the desegregation of public schools that came with the landmark *Brown v. Board of Education* decision.

Even though formal public choice scholarship abstracts from explicit contexts of race and IGS in general, MacLean’s work claims that the approach’s *raison d’être* was actually to cement White supremacy in the United States and elsewhere.<sup>25</sup> In other words, public choice’s insistence on small government was a political ruse in

the guise of strictly scientific endeavors meant to preserve the White-dominated social hierarchy by constraining the government's ability to correct centuries of state-sanctioned exploitation of Black and Brown people. Based on MacLean's work, in defending property rights, public choice was in fact defending what critical race theorist Cheryl Harris has called "property rights in whiteness."<sup>26</sup> Unfortunately and unsurprisingly, public choice has had great success in influencing the course of public policy in the United States over the last four decades. Indeed, Harris describes how institutions are often implicitly designed and function to define and codify "Whiteness as property;" adding MacLean's work applies Harris's analysis to the academy (public choice theory) itself.<sup>27</sup>

Marxian political economy also suffers from a failure to consider race and identity. Although "Marxian political economy analysis denotes a range of political economy perspectives that are broadly connected to and in the tradition of the writings of Karl Marx," the "exploitation of labor by capital, within the capitalist mode of production, is fundamental to the understanding of the dynamics within the analysis."<sup>28</sup> Marxian political economy centers group contestation, strictly defined by the "class struggle," as key to societal outcomes, namely capitalist accumulation at the expense of the working class. An implication of this analysis is that improvement in the welfare of the workers comes about by the overthrow of the capitalist mode of production and its substitution by a dictatorship of the proletariat.<sup>29</sup>

The original writings of Marx said very little about society's constitutive groups beyond class. However, in those instances in which questions of race were considered, sociologist Jean Belkhir describes that such considerations tended to be racist. For example, he writes: "Marx and [his longtime collaborator] Friedrich Engels were racists. Their attitudes were the typical attitudes of nineteenth-century Europeans who, regardless of their ideology, thought in terms of hierarchy of cultures with their own at the top and who occasionally used biology to provide scientific basis for their categorization of societies into higher and lower forms."<sup>30</sup> Therefore, Marx's theory of political economy was, for all intents and purposes, a theory developed to emancipate the European White working class. Marxian political economy had an immense impact on the development of the social democratic states of Western Europe as well as the 1930s New Deal regime.<sup>31</sup> In this way, like public choice, at its core, Marxist ideology was formulated in a way not devoid of White supremacist hierarchy.<sup>32</sup>

In the twentieth century, Black Marxist theorists made attempts to develop a theory of Marxism that incorporated race alongside class considerations. Notable in this instance is sociologist Oliver Cox's book *Caste, Class and Race* and political scientist Cedric Robinson's text *Black Marxism*.<sup>33</sup> These scholars acknowledged that class was stratified by race among other identities. However, the saliency of racial divisions within the working class was the result of the logic of capitalism.

That is to say, capitalism thrived on racial difference, and the solution to racism and to class exploitation in general was to overthrow capitalism.

However, racism predates the development of industrial capitalism in the West.<sup>34</sup> Further, the empirical evidence that we present above is not consistent with class reductionist Marxist tropes that treat racial disparity as an issue bound simply to how Blacks are sorted along skill and resource distributions. In other words, racial difference in key economic outcomes cannot be fully explained by a clustering among the less skilled and lower resourced. Unsurprisingly, within race, more education is associated with better economic outcomes. However, the irony is that, across groups, Black workers with a college degree are most harmed due to their race relative to similarly qualified White workers, and this difference is amplified during recessions.<sup>35</sup>

**I**n the opening section of our essay, we showed that racial and identity group stratification permeates many facets of society. Thereafter, we argued that, despite persistent and enduring IGS, political economic analysis does not adequately consider race or other IGS more broadly, especially when juxtaposed against the two polar opposites of economic thought. In this section, we present a framework that centers IGS within political economic analysis.

The departure point or substantive addition for IGS in mainstream economics is the subfield of stratification economics, which “fills [the] void and systematizes various critiques regarding the inabilities of neoclassical economic theory to provide a coherent explanation for persistence of inter-group economic inequalities beyond human capital or subaltern group deficit models.”<sup>36</sup> Stratification economics, which traces its intellectual lineage to the work of sociologist and historian W. E. B. Du Bois, economist James B. Stewart, economist and Nobel laureate W. Arthur Lewis, and critical race theorist Cheryl Harris, is motivated by providing a framework for why intergroup disparity emerges and persists.<sup>37</sup>

The IGS approach to political economy shares a similarity with Marxian analysis in the sense that societal outcomes are played out at the level of groups. In this way, IGS does not share the methodological individualism of public choice analysis. Further, in Marxian political economy, the units of analysis are groups defined strictly by class – “capitalists” and “workers” – while group formation in IGS analysis is more nuanced, layered, and intersectional. Well beyond class, social identity itself offers material, political, social, and psychological rewards for membership associated with identity-group belonging. As such, group solidarity becomes a basis by which dominant groups can enhance their rewards at the expense of some subaltern other. IGS political economy analysis, therefore, goes beyond the narrow class concerns of Marxian political economy analysis. That is, it allows for identity group solidarities, relative group status hierarchies, that cut across class.

The existence of extra-class identity group solidarities was apparent in W. E. B. Du Bois's classic text *Black Reconstruction*, and later in Cheryl Harris's foundational article "Whiteness as Property."<sup>38</sup> Harris citing Du Bois writes:

W. E. B. Du Bois's classic historical study of race and class, *Black Reconstruction*, noted that, for the evolving White working class, race identification became crucial to the ways that it thought of itself and conceived its interests. There were, he suggested, obvious material benefits, at least in the short term, to the decision of White workers to define themselves by their Whiteness: their wages far exceeded those of Blacks and were high even in comparison with world standards. Moreover... there were real advantages not paid in direct income: whiteness still yielded what Du Bois termed a "public and psychological wage" vital to White workers... The central feature of the convergence of "White" and "worker" lay in the fact that racial status and privilege could ameliorate and assist in "evad[ing] rather than confront[ing] [class] exploitation." Although not accorded the privileges of the ruling class, in both the North and South, White workers could accept their lower class position in the hierarchy "by fashioning identities as 'not slaves' and as 'not Blacks.'" Whiteness produced – and was reproduced by – the social advantage that accompanied it.<sup>39</sup>

IGS political economy analysis shares some territory with the concept of racial capitalism, "a system in which race functions to establish material and status hierarchies within the broad working class. Under racial capitalism, all workers are exploited, but Black and Brown workers are exploited, excluded, surveilled, dispossessed, incarcerated, and sometimes killed. White workers are treated as full citizens, with the protection of laws, and large apparatuses devoted to facilitating their participation in at least some of the material benefits of... capitalism."<sup>40</sup>

However, IGS political economy differs from racial capitalism. Racial capitalism sees capitalism as the culprit. In other words, the chain of causation begins with capitalism leading to establishing and exploiting racial hierarchies in society. For IGS political economy, the causation is iterative and bi-directional. That is, identity groups organize themselves in such a way as to establish hierarchy, and although capitalist systems may be a potent mechanism to reinforce these hierarchies, it is not the sole means of establishing dominance. Hierarchical dominance around identity groups exists under socialist economic regimes.<sup>41</sup> Thus, IGS political economy analysis recognizes the fragility of class coalitions in multiracial societies.<sup>42</sup> Second, IGS political economy predicts that race becomes more pronounced with class, whereas racial capitalism is limited to race mattering to the extent that it coalesces with low class status. As described earlier, IGS articulates that race goes well beyond class and, indeed, becomes more relevant with higher class in the marketplace. Third, IGS political economy analysis incorporates intersectional analyses, including the awareness and context by which racial identity intersects in nuanced and context-specific ways with other social identities.

A main prediction of IGS political economy analysis is that identity group inequalities (that is, societal hierarchies at the level of groups) are maintained precisely because dominant groups accrue material, political, and psychological returns to such dominance vis-à-vis the subaltern group. For example, IGS political economy analysis sees the racial wealth gap as resulting from material and nonmaterial returns to “Whiteness” and the formal and informal structures that uphold such dominance.<sup>43</sup> This type of racialization and IGS is not unique to the United States. Throughout the world, structures of power have long demarcated subgroups of people in hierarchical ways that reverberate politically as to who is worthy of and entitled to receipt of public benefit.<sup>44</sup>

This type of weaponization for relative-status and preferred group outcomes is a pervasive feature of society not limited to economic effects. Much evidence has been accumulated showing that race is used strategically in the political sphere as well.<sup>45</sup> Race pervades all aspects of U.S. society and political economy.

**A** key feature of IGS is that identity itself serves as an asset (or debt) that can be beneficial (or costly) depending on the political economy. Individuals from the subaltern group can attempt to invest in attributes associated with the identity of the dominant group with the expectation of moving up the social and economic hierarchy.

Public choice’s emphasis on “property rights,” especially without recognition of the different material and psychological rewards or cost structure accrued to different identities, preserves prevailing social hierarchy in a context where that property was initially unjustly obtained. Rights to such property complements or facilitates benefits and relative status to those enjoyed by the dominant identity group: what Cheryl Harris might describe as a doubling down on “property rights of whiteness.”<sup>46</sup> Even though Marxian political economy sees property rights as the source of inequality, it is blind to the fact that identity can itself be property conferring material and nonmaterial benefits. Seen this way, the abolishment of private property, a hallmark of Marxian political economy, does not necessarily result in the destratification of society because of the property rights embedded in social identity.

Creating a moral political economy requires that identity ceases to have transactional value. This is not a call for the elimination of identity. There very well may be aesthetic and cultural attachment to one’s identity. Moreover, in the process of assimilation, the burden of identity fusion is generally borne on the less dominant identity group acquiescing to the norms, history, and culture of the more dominant group. What we are calling for is the end of material and hierarchical positioning attached to social identity.

Without a potent policy alternative grounded in economic justice that neuters racist regimes and provides pathways for economic security and self-determination



for all its people, White supremacy (and other ideologies of oppression linked to social identity) and the despotic political appeal for divisive leadership will remain. Centering human rights and human dignity, through a framework of what we are calling *Inclusive Economic Rights*, is a way to sever the link between identity and societal outcomes. Inclusive Economic Rights ensures that, among human rights, political, social, civil, and cultural rights are not enough, but rather *inclusive* economic rights are necessary as well. A framework of inclusive economic rights is intentionally inclusive of all social identity groups (for example, racial, ethnic, gendered, and so on), especially those that have been marginalized.

In the wake of World War II and the dismantling of the fascist Nazi regime, the United Nations General Assembly issued the landmark Universal Declaration of Human Rights (UDHR) in 1948.<sup>47</sup> The Declaration described human rights to be universal and related to the maintenance of human dignity, and asserted that nation-states had a responsibility to deliver those rights. The UDHR identified five categories of human rights: civil, political, social, cultural, and economic. For example, Articles 23 and 25 of the UDHR articulated economic rights to employment, housing, food, medical care, and so on. The concept of economic rights also has deep roots in the civil rights movement. Reverend Martin Luther King, Jr. pushed for guaranteed jobs and guaranteed income in his final years.<sup>48</sup>

Starting in the 1950s, a systematic campaign arose to diminish the moral arguments that were made in favor of economic rights. Key among those leading the onslaught were leaders of the Mont Pelerin Society (MPS) founded in 1947 by the Austrian economist Friedrich Hayek and boasting the membership of Milton Friedman, George Stigler, Ludwig von Mises, Frank Knight, and Karl Popper, among others. The MPS, more than any other organization, is responsible for providing the dubious intellectual arguments that led to the ascendancy of neoliberalism in the latter half of the twentieth century.

MPS proponents argued that economic rights would interfere with the “choice” and “freedom” of the market. Given that violence was the preserve of the political sphere and not that of the market, according to influential members of the MPS, the only rights that required government guarantee were civil, political, and those pertaining to the protection of property. These sets of arguments, as dubious and historically unfounded as they were, launched the age in which the language of human rights was neoliberalized to the exclusion of economic rights.<sup>49</sup>

It is time to reclaim the scale, ambition, and moral fortitude of the economic rights movement of the twentieth century. However, IGS’s approach to political economy stresses that, if economic rights are to be a force for breaking down inequalities, they have to be guaranteed within a framework of inclusive economic rights. That is, they have to be guaranteed in a way that is purposefully inclusive of all identity group stratifications in design, management, and implementation (for example, antiracist, antisexist, antinativist, and so on). Economic justice ini-



tatives have historically excluded subaltern groups, as would be predicted by the IGS approach to political economy.<sup>50</sup>

**R**egardless of ideology, economics, politics, and social stratification (as measured by class, race, gender, nativity, and other markers of identity) have never been separable. As inequality continues to grow, both within and across nation-states, the economics profession and society writ large need to move beyond the overly simplistic Marxist framework that reduces group struggle to one of class, as well as the neoliberal orthodox economic framework that centers markets and individual choice devoid of adequate understanding of resource, power, and distribution. We need new thinking that recognizes the strategic incentives and disincentives associated with group sorting beyond class, with an ultimate goal of generating a moral political economy grounded in fairness, justice, and our shared prosperity.

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# Reducing the Transactional Value of Identity & Race

*Henry Farrell & Margaret Levi*

*Grieve Chelwa, Darrick Hamilton, and Avi Green explain how existing accounts of capitalism systematically neglect racial identity group stratification. Their approach points to an important comparative dimension and two significant research agendas that could supplement their arguments. First would be to inquire into the role that equal respect plays in pushing back against stratification. Second would be to investigate how other aspects of social norms may have consequences too, perhaps drawing insights from a new body of research on racial stratification that draws upon Marxian and neoclassical economics.*

Race and diversity have been neglected in virtually every capitalist political economic framework ever implemented or even conceptualized, including the public choice theory and Marxian accounts that Grieve Chelwa, Darrick Hamilton, and Avi Green identify.<sup>1</sup> Class stratification certainly receives attention, but other identity group stratifications hardly at all. This selective ignorance itself helps reinforce racial bias by treating a deracialized account of the economy as the appropriate analytic baseline. Chelwa, Hamilton, and Green make this point clearly and strongly; they also offer some correctives. They argue that “creating a moral political economy requires that identity ceases to have transactional value.”<sup>2</sup> They, therefore, advocate for inclusive economic rights.

Their essay focuses primarily on race in America, although their arguments could apply to any group penalized by subordination and domination by means of a racial, ethnic, gendered, or religious hierarchy. Thinking about their argument in comparative perspective may help us better understand how inclusive economic rights might make a difference throughout capitalist political economies. Useful comparisons might be made with groups similarly (if never exactly) situated in other countries, and with other noneconomic sources of stratification that also merit correction.

While structural racism in the United States is intensified by the history of chattel slavery, it is not the only country with a long history of discriminatory practices and enduring caste systems. Historian Isabel



Wilkerson provides a popular history of some of the most notable examples.<sup>3</sup> In India, the sources are religious, and in Germany, a long-standing anti-Semitism, but much of the contemporary history of discrimination has its roots in colonization and the domination, including enslavement, of those considered inferior by the colonizers. Many countries have practiced “internal colonialism” in which they treat certain subgroups within their population as inferior and use laws and exclusionary practices to keep them at the bottom of the economic and status hierarchy.<sup>4</sup>

Whether one considers this long and deep history of discrimination and domination a result of capitalism or human nature is less relevant for our purposes than how it inhibits human flourishing. It is unjust, unhealthy for those subject to it, and even economically inefficient. It heightens inequality and inspires violence. It reduces the economic well-being and even the lifespans of those affected. It suppresses the productivity capacities and potential of subjugated people.<sup>5</sup>

There is no question that economic rights ensuring relatively equal opportunity are an important means for leveling the playing field, no matter your identity and background. Chelwa, Hamilton, and Green focus on the United States and suggest that inclusive economic rights can be transported to other capitalist democracies. They are correct. Indeed, similar formulations of economic rights are already incorporated into law in countries such as Sweden, Norway, and Denmark, with a strong tradition of social democracy. These countries provide fairly generous support and safety nets for their citizens from birth to death. On some measures, they are among the most equal countries in the world. However, as recent tensions over immigration and the COVID-19 pandemic have illustrated, their systems are under strain for two very different reasons: already high tax burdens and widespread resentment of immigrants, whom many citizens perceive as representing a foreign culture and “undeserving” of such generous support.<sup>6</sup>

As Chelwa, Hamilton, and Green argue, identity stratification is an all-too-common phenomenon throughout the world. However, their corrective – inclusive economic rights – may be vulnerable to the same societal factors that produce economic discrimination in the first place. As sociologist Manuel Pastor argues in his response to their essay, making these rights stable may require durable social mobilization.<sup>7</sup>

**E**ven if inclusive economic rights are maintained, they may ameliorate but not prevent some of the negative effects of identity stratification. We doubt that Chelwa, Hamilton, and Green would disagree that it is also important for people to feel safe psychologically as well as physically, to feel they have some control over their life course, and, most importantly for our purposes, to feel they have equal access to political power and influence.

Achieving political power and influence is not simply a matter of reducing advantages provided by money and status, or of assuring legal access to the vote and

to effective representation – although these are very important elements of political equality.<sup>8</sup> It is also important that “equal consideration,” the current standard for a representative democracy, at least begins to include a concept of equal respect.<sup>9</sup> Otherwise, the result is procedural equality that people cannot or are afraid to act upon, what political scientist Peter Bachrach and economist Morton S. Baratz characterized as the second face of power.<sup>10</sup>

More recently, some philosophers and political theorists have explained equality in terms of relational equality and freedom from domination.<sup>11</sup> Political scientist Melvin L. Rogers clarifies the racial element in domination and, significantly, in the republican arguments that some advance to combat that domination. For him, the issue is cultural as well as political; the republican strategies fail “to address how proper regard and standing are frustrated by the naturalized or normalized logic of black servility and white superiority.”<sup>12</sup> Economist Glenn Loury emphasizes the structure of social relations that make an economy possible as well as being the seedbed for inequality.<sup>13</sup> Political theorist Danielle Allen pulls these threads together to make a masterful case for a democracy based on difference without domination as one of the fundamental pillars of a new theory of “justice by means of democracy.”<sup>14</sup>

Empirical research by social psychologists and political scientists demonstrates the importance of taking social relations seriously.<sup>15</sup> For example, political scientist Hakeem Jefferson’s work on respectability highlights how those suffering from stigma design strategies to help them cope, protect themselves and their children, and demand their rightful place.<sup>16</sup>

While rights, economic and political, are essential ingredients of a new moral political economy that facilitates recognition of and opportunities for those subordinated because of racial or other identity hierarchies, it is not enough. Equally important are changes in the social relationships and cultural norms that delineate behavior and delimit effective agency and power.<sup>17</sup>

Chelwa, Hamilton, and Green’s account provides foundations that could be built on to address these questions of social relationships and cultural norms. Perhaps surprisingly, elements of the two alternative approaches that they press back against – public choice theory and Marxian economics – might be employed to analyze how stratifying norms are rooted in individual behavior. Just as “No-Bullshit Marxists” and other leftists employed elements of neoclassical theory to better understand capitalism in the 1980s and 1990s, a new generation of scholars is harnessing together variants of rational actor theory and of Marxian political economy to investigate the symbiotic relationship between capitalism and racial stratification.<sup>18</sup>

A recent paper by Liam Kofi Bright, Nathan Gabriel, Cailin O’Connor, and Olúfémí O. Táíwò uses evolutionary game theory to model the kinds of enduring

social stratification that Chelwa, Hamilton, and Green emphasize.<sup>19</sup> These younger scholars build on Marxist arguments, but, like Chelwa, Hamilton, and Green, do not treat stratification as a crude condensate of skills and resources. Instead, they use game theory to model how capitalism is “stabilized by racial stratifications,” even when ascribed racial identity has no relationship to skills. In their account, individuals are “tagged” by racial markers that are treated as heritable and are difficult to change.<sup>20</sup> This bias creates persistent inequality, which can be mediated through one-to-one bargaining relationships.<sup>21</sup> An enduring and self-reinforcing equilibrium can emerge in which those who are tagged as members of the out-group systematically expect worse treatment whenever they interact with members of the powerful group, reproducing relations of enduring racial inequality.

These modeling techniques, like all techniques, have important limits. Even so, they powerfully illustrate how racial stratification can be supported by informal norms and social interactions, independent of the effects of formal institutional structures or inequalities in access to education.

We wonder whether this and similar work could help correct the neglect of race that Chelwa, Hamilton, and Green identify in existing economic frameworks, spurring valuable conversations and useful disagreements that span identity group stratification, neoclassical economics (a broader category than public choice theory), and Marxism’s intellectual descendants. Which aspects of racial stratification are best understood at the level of institutions and structures, groups, or individual interactions? How do these levels intersect? What causes variation in identity group stratification across time and place? Most importantly, what works and what does not work as we try to create a moral political economy and just democracy that does not have identity group stratification at its heart?

Chelwa, Hamilton, and Green rightly identify a huge and systematic gap in our understanding of political economy. They point the way to how we might reframe our approach. We look forward to the important advances that their essay will spur.

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# Neoliberal Fragility: Why It's So Hard for (Some) Economists to Talk about Racism

*Manuel Pastor*

*Grieve Chelwa, Darrick Hamilton, and Avi Green offer a vision of stratification economics in which social identities interact with multiple forms of domination to reproduce inequality over time. A far cry from the individualism inherent in traditional economic theory, Chelwa, Hamilton, and Green illustrate how the market-choice moorings of neoliberalism – intentionally or not – have weakened efforts to challenge structural racism and argue that a strategy of “inclusive economic rights” offers a way both to understand difference and embrace commonality. Since, as Marx noted, “the task is not just to understand the world but to change it,” I stress how social movements can build the power to make such rights real and forge the intersectional bridges to make mutuality our new economic anchor.<sup>1</sup>*

Neoliberalism feigns a sort of benighted innocence. Because it insists that competition will naturally diminish monopoly, it puts evidence of inequality and power to the analytical side. Because it postulates that markets will eventually move to equilibrium, financial crises are seen as one-off anomalies rather than the recurrent result of deep-rooted imbalances. And because the fundamental economic unit is seen as a self-interested, highly individualistic, and utility-maximizing *homo economicus* – a sort of greedy but plastic Gumby who lacks both history and firm features – it imagines away racism and sexism from the theoretical start.

Yet regardless of the particular perspectives of its affiliated economists, neoliberalism came into the American political world dripping with racism. It was, after all, deployed as a way to starve the state just as the country's demography was changing, and it was ushered into policy dominance by a president, Ronald Reagan, who chose to deliver one of the key speeches of his 1980 campaign on “state's rights” in a Mississippi town where three civil rights organizers had infamously been slain by the Ku Klux Klan.<sup>2</sup> And as Grieve Chelwa, Darrick Hamilton, and Avi Green note, the neoliberal public choice framework may have been neatly and primly abstracted from race, but its emphasis on the benefits of individual school choice was picked up by political actors as a means of resisting desegregation.<sup>3</sup>



The identity group stratification approach taken by Chelwa, Hamilton, and Green takes quite the opposite tack, both in terms of theory and political project. Chelwa, Hamilton, and Green always place the individual in the context of their respective identity groups, constantly seeking explanations (and remedies) for inequality and power, and consciously paying attention to the real-world effects of their policy conclusions. The main thing they question in their essay is not whether such group identifications persist, but whether they emerge from class status, a shared group interest in capturing governmental subsidies or supports, or from other sorts of affiliation. And because this question has implications for how to create a political project of liberation, it is right to make such political or movement considerations part of the assessment of their essay.

On the theory side, no surprise to the careful reader: for Chelwa, Hamilton, and Green, groupings are not just determined by class but also by race (and other intersectional dimensions), a point they hammer home by stressing the persistence of a racial wealth gap, pointing to stubborn income inequalities between those who are similarly educated but from different racial groups, and insisting on the material as well as psychological benefits of Whiteness. They also challenge those who see racial inequity simply as a way to stunt class unity, or who fail to see the bidirectional relationship between race and class. But how does that set of realizations translate into remaking the world that racism (and other modes of domination) built?

What Chelwa, Hamilton, and Green offer is insightful and incisive stuff – and the fragility or claims of innocence it challenges is not just that of neoliberal economists, but also of those thinkers and political figures who hope that downplaying stark racial inequalities will make it easier to find common ground. Chelwa, Hamilton, and Green argue that, in both our analysis and our politics, it is better to highlight rather than hide, best to inoculate rather than ignore, and more effective to come to terms with racism in order to come to terms with one another.

Their position is why the eventual remedy of “inclusive economic rights” seems a bit jarring. While I agree that such rights would be fertile ground for designing better policy, the authors themselves point out how such claims in the past have wound up excluding those considered to be “other” and so outside the realm of belonging implied by the word “inclusive.”<sup>4</sup> In a world that is so highly stratified – and in a framework that insists on centering stratification – what is the mechanism to ensure that coalitions will be built, that rights will be guaranteed for all, and that reparations and repair will become widely accepted?

I have been grappling with these issues as well, both in the public square in which Chelwa, Hamilton, and Green’s perspective has made an invaluable contribution – including around the utility of “baby bonds” (a proposal to provide

every child a savings account at birth in an attempt to address generational disadvantage), the importance of guaranteed employment, and so much more – and also in the realm of ideas and publishing. My most recent book with Chris Benner, *Solidarity Economics: Why Mutuality and Movements Matter*, directly tackles the transition dilemma, trying to think through how we might move from the world that exists to the world we want, how we might bridge from seeing stratification to creating commonality.<sup>5</sup>

We don't shy away from race. In fact, our editor was concerned about our first full draft, saying we had made too much of the role of both structural racism and the politically salient racist "dog whistles" that were part of the real-world rollout of the neoliberal agenda. We took that claim as a challenge but not the way he intended: we decided that we perhaps had not been clear enough – partly because another set of social movement readers was pretty happy with the direction we were taking – and so added even more on the need to center the sort of frank discussion Chelwa, Hamilton, and Green encourage.

But we also note that there is more mutuality in our economy than neoliberalism would have us recognize, pointing to the role of public investment and episodic communities in generating innovation and regional prosperity. We also highlight the many circumstances in which reducing inequality would generate higher standards of living for most of us, a point also stressed by equity advocate Heather McGhee in her brilliant new book on the need for cross-racial solidarity, *The Sum of Us*.<sup>6</sup> Stratification can yield particular benefits, but its costs are high and not just for the most marginalized. Making that point – without erasing the particularities of marginalized groups – is key to making change.

**A**nd that is where movements come into our story. We argue that movements play two important roles. First, they can challenge the systemic imbalances in power according to race, gender, class, and other dimensions that prevent the realization of gains from mutuality. But the second aspect is what movements do to us as economic and social actors. Just as markets tend to make us selfish – creating the self-interested individuals that neoliberalism assumes – movements can make us mutual, developing the ties of solidarity that can challenge division.<sup>7</sup>

And that's the political in the moral political economy: we who seek a more ethical and more sustainable manner of organizing production, distribution, and consumption must also consider the forces and paths that might make it so. As noted above, Chelwa, Hamilton, and Green have certainly done this in their practical work, with my colleague Darrick Hamilton offering policy leadership on baby bonds, a federal jobs guarantee, and the design of guaranteed income programs, as well as providing key advice to transformative political figures.<sup>8</sup> It is this deeper connection with the public square that is essential to move from a utopian vision of guaranteed rights to a pragmatic strategy for making progress.

But such a shift will also require a sociological perspective on how to build and sustain social movements. The Marxist perspective had its limits – a point made forcefully by Chelwa, Hamilton, and Green – but, as Samuel Bowles noted in an early conversation with the authors of this special issue, one of Marxism’s main contributions was that the class dimension it emphasized was not just a source of *economic* inequality but also the *social* vehicle for overturning the exploitative system.<sup>9</sup> Focusing on one dimension (well, mostly one dimension) and one actor (well, mostly one actor) made it easier to postulate the dynamics of structural change: workers would challenge capitalists and establish a new economic order. As we now know, that paradigm had its limits in terms of both actual outcomes and the politics of change in a highly stratified world.

But these results lift up the opportunity and the challenge. We need to complement the analysis in Chelwa, Hamilton, and Green’s essay with a theory of change focused on how social movements of diverse origins and styles can help move us from stratification to interdependence, from political conflicts to shared power, from local experiments to national effects. On the analytical side, that will take going beyond our usual silos to embrace interdisciplinarity. On the policy side, it will take going beyond a laundry list of issues to crafting a new narrative of our “uncommon common ground.”<sup>10</sup>

And on the political side, it will require tackling another sort of fragility: the idea that high-quality academic work cannot survive a deep connection to a political or social project. The conceit of neoliberalism was that these concepts were divorced, that the theory’s unfortunate role as a vehicle utilized to stall racial progress was inadvertent collateral damage rendered in the service of freeing markets. But as a society, we tend to teach our children that impact matters as much as intention. Surely, we can ensure that our intentions to free people from multiple forms of oppression lead to both rigorous analysis and human liberation. With their essay, Chelwa, Hamilton, and Green have taken us most of the way there. Let’s rely on social movement theory (and engagement with social movements) to help us complete the journey.

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# Democracy & “Noxious” Markets

Debra Satz

*How should a new political economy conceive of the role of markets in a just society? Markets clearly play an important role in efficiently allocating labor and goods, disseminating information, enabling cooperation among people who disagree with one another about how to live, and allowing individuals’ choices about where to direct their talents and resources. But acknowledging that markets play an important role does not mean that this role is simple or conforms to the status quo in capitalist countries like the United States. In this essay, I draw on classical and modern ideas to defend a limited role for markets that is tempered by democratic concerns.*

The classical political economists – such as Adam Smith, David Ricardo, and Karl Marx – held a multifaceted view of markets. For these thinkers, markets not only efficiently distributed goods and services, but also simultaneously shaped our relationships with one another, supported or undermined valuable political institutions, and affected our capacities, including our capacities for collective self-governance. These early theorists of markets were especially attuned to the ways that markets can affect relationships of freedom and equality between members of society. Indeed, Adam Smith singled out “order and good government, and with them, the liberty and security of individuals” as *by far the most important effect* of the widespread use of markets.<sup>1</sup> According to Smith, markets advance freedom by replacing workers’ abject dependence on one powerful lord with exchanges involving a thousand different customers, none of whom has substantial power over them.<sup>2</sup>

But Smith also understood that some markets posed a threat to the more egalitarian social relationships that feudal critics aspired to. For example, he observed that the labor market, unlike a market for apples or widgets, shapes the capacities and preferences of those human beings whose labor power is purchased. As he wrote in *The Wealth of Nations*:

The man whose whole life is spent performing a few simple operations of which the effects too are perhaps always the same . . . has no occasion to exert his understanding or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion and generally becomes as stupid and ignorant as it is possible for a human creature to become. . . . [He

is incapable] of forming any just judgment concerning many even of the ordinary duties of private life. Of the great and extensive interests of his country, he is altogether incapable of judging.<sup>3</sup>

From this perspective, it is critically important to evaluate labor markets through a wider lens than efficiency. Even if a market is efficient at allocating human labor power between different uses, it is problematic if it fails to develop or atrophies the psychological affective and cognitive capacities of workers that are needed to maintain democratic institutions. This evaluative lens can and should be extended: markets raise other considerations pertaining to democratic social relationships beyond their important effects on human capacities. Cases to consider include the expansion of markets into legal representation, health care, and education, each illustrating the problems democracies confront when they rely on specific markets.

**T**o set the stage for my argument, I need to make three preliminary points. First, the problems I will point to are not primarily problems of “market failure.” Contemporary economists are well attuned to the ways that actual markets can be problematic because of their distance from “ideal” markets. Natural monopolies, asymmetric information, and incomplete contracts render many actual markets inefficient, and may justify forms of regulation. For example, if asymmetric information is a problem – think of the knowledge imbalance between borrowers and lenders with respect to subprime loans – it might justify interventions aimed at increasing the information of the more vulnerable party, or caps on the rate of interest. The existence of natural monopolies might justify forms of public ownership. The presence of negative externalities like pollution might be addressed by adding additional markets to fully capture pollution’s third-party costs in prices. Innovative work in economics has sought to address the ways that non-ideal markets can be made to function better – where better generally means “with greater efficiency.”<sup>4</sup>

But even “ideal” efficient markets can raise ethical concerns. Consider a market in votes. Even if all the parties participating in a vote market are fully informed, equally positioned in terms of market power, and even if the trade makes the parties better off in terms of their individual preferences (for example, I have a vote I don’t care to use, and you have a strong desire to politically influence an election outcome, so selling my unused vote to you seems to be a win-win), a market in votes would distort an important norm of democratic decision-making: that is, one person, one vote. Democratic voting is the main way in which we aggregate individual views about what policies society should enact. Selling votes involves voters exchanging an asset they do not fully own as individuals.<sup>5</sup>

Second, there are cases in which the problems associated with a market arise solely because of the background circumstances the market operates within. My earlier work called attention to two dimensions of this social background.<sup>6</sup> The



first dimension is the degree of autonomy or agency of the market's participants. In some markets, some or all participants lack relevant information about the trade they are making. Consider the market in used cars, the market in subprime derivatives, or the market in health care. Agency can also be weak when market transactions are made on behalf of or with effects on those who themselves are not participants in the market. Consider the third-party effects of markets in "blood diamonds" that fuel bloody civil wars.<sup>7</sup>

The second dimension concerns highly asymmetric market power. Consider "price gouging" in disaster areas, the international trade in toxic waste, and markets in human organs like kidneys. In typical labor markets, employers also have substantial power over workers. The reasons for this power are manifold. It is generally easier for employers to find new workers than for workers to find new employers. Leaving or losing a job is often greatly disruptive to workers and their families. New technologies fissure markets, turning workers into independent contractors whose work appears to be controlled and coordinated only through a platform, making it harder for workers to organize. Workers often feel loyalty to employers, coworkers, and even customers. While goods like widgets do not care where they are located, human beings have complex preferences over their workplaces, colleagues, and living arrangements, making them vulnerable to exploitation.

In markets with weak autonomy, or where power relations dramatically skew the outcomes that the parties will accept, background circumstances might be said to "infect" the morality of the market. I have referred to such infected markets as *noxious markets*.<sup>8</sup> Of course, in many such cases, simply banning the market will not address the underlying moral problems, but merely drive them underground. (For example, even though kidney-selling is illegal in almost every country in the world, there is a thriving black market.) Nonetheless, we cannot ignore the moral problems raised by the "normal" operation of such noxious markets. Instead, we need to think through targeted ways to address those background problems. In what follows, I largely set these concerns about background agency and power aside and address another important dimension of a noxious market: its effects on democratic culture and institutions.<sup>9</sup> These effects can hold sway even when there are neither market failures, weak agency, nor highly asymmetric power.

Third, my argument is not a lawyer's brief against markets. No large democratic society can or should entirely dispense with markets. Not only are markets among the most powerful tools we have for generating growth in living standards and incentivizing innovation, but also Smith was right to see their democratic potential as ways of enabling cooperation among independent, free, and equal individuals. As tools, however, we should think carefully about where to use them and how to design them when we do. While a neoliberal worldview sees efficient

markets enhancing freedom and well-being everywhere, the reality is more complex. Some markets foreclose options that would better support democratic institutions and culture. Sometimes, closing off market options makes everyone better off. Consider that if individuals are free not to purchase health insurance on the market, the cost of publicly provided insurance will increase: healthy individuals are more likely to opt out of health insurance, leaving sicker individuals in the pool to be insured and raising the costs of their insurance, leading more people to forgo holding such insurance, driving the prices up even higher.

What are the *democratic* problems posed by using markets in certain domains? Consider education. Market enthusiasts have long advocated for treating the allocation of children to schools as an economic problem. Although Milton Friedman did not go so far as to deny some role in education for the state – because of the third-party effects of an uneducated citizenry – he argued that parents should be given “vouchers redeemable for a specified maximum sum per child per year if spent on ‘approved’ educational services.”<sup>10</sup> Parents then would be free to spend this sum, in aggregation with their own private money, on the school of their choice. Advocates of voucher systems argue that it would generate school competition, as parents attempt to gather information about and place their children in the best schools available. Competition gives schools an incentive to improve to attract children.

While the data on whether school choice improves school quality remain contested, I want to point to a different set of concerns: the way private goals, empowered by the market, can diverge from, prevent, and undermine the state’s interest in achieving social integration. The divergence arises because parents generally care about the best interests of their own children, and as individual decision-makers, they tend to prioritize those interests. Indeed, in one sense, it is entirely appropriate that they do so. Society relies on parents to act as trustees for their children and to do what conduces to their children’s flourishing. At the same time, some of the ways parents prioritize their own children can lead to worse outcomes for other children and to the furthering of educational inequities, as well as to other social ills like instability and conflict. Evidence indicates, for example, that choice schools in the United States are more homogenous than public schools with respect to social class and race. Researchers have also shown that when public school choice is available, educated parents are especially likely to factor child demographics in their school selections.<sup>11</sup> This may be because school quality is very hard to judge and parents default to markers such as the reading and math levels of other students. These levels, in turn, are heavily influenced by social class. It is likely that some parents take race and class directly as proxies for school quality.

Even if we assume that the outcomes that arise from a voucher system satisfy many parents' individual preferences as trustees for their own children, does not a democratic society have an interest in overcoming racial and class divisions?<sup>12</sup> Strong class and racial divisions give rise to social instability. And these divisions often arise from and help to maintain injustices.

With respect to racial and class division, one of the most powerful and robust pieces of social science evidence we have is psychologist Gordon W. Allport's contact hypothesis: familiarity reduces prejudice under certain conditions.<sup>13</sup> The repeated exposure of children to those who differ from them in terms of race and social class is the most powerful antidote that we have to bigotry, groupthink, snobbery, and elitism. Common schooling is also an important tool in delivering fair equality of opportunity. Friedman's own voucher system, which allows parents to add their own wealth to the value of their voucher to purchase access to more desirable schools, would replicate or worsen the unequal funding we see in America's public schools today. But no individual parent can end racial and class divisions, or maintain social stability, or achieve fair equality of opportunity, by acting on their own. Market ordering in this case makes a more "socialist" form of institutional design impossible.<sup>14</sup>

My point here is that if we want schools to serve as a source of unity and cohesion, as well as deliver fair equality of opportunity, we will need to look elsewhere than to market-based solutions. Vouchers as imagined by Friedman would produce – and in many cases already have produced – greater economic, racial, and religious segregation. In the case of public schooling, closing off individual exit may produce a better social outcome than that achieved through disaggregated individual decisions. Empowering parents as individual decision-makers over the choice of schools leads them to act in ways that undermine equitable schooling across race and class lines.

This is not to deny that current social arrangements, especially exclusionary zoning, already throw up barriers to the "common school" ideal. Additionally, I recognize that this argument has some controversial consequences; in particular, it suggests the banning of private schools, which perpetuate and accentuate the class stratification of society over generations.

Suppose, however, that it is true that democratic social arrangements are threatened when people in a society live completely different lives and rarely interact with one another, except in circumstances where some are the subordinates of others. Shouldn't that at least be a factor in evaluating the education of citizens? We can take a page here from the British socialist R. H. Tawney, who earlier criticized the system of private ("public") British schools:

It is at once an educational monstrosity and a grave national misfortune. It is educationally vicious, since to mix with companions from homes of different types is an

important part of the education of the young. It is socially disastrous, for it does more than any other cause, except capitalism itself, to perpetuate the division of the nation into classes of which one is almost unintelligible to the other.<sup>15</sup>

There are other examples in which a democratic society has reasons to aim at the common provision of important social goods and to curtail private options for individuals. Let me highlight a different case – military service – before revisiting Adam Smith’s concerns about labor markets’ effects on human character and capacity.

For much of American history, serving in the military was seen as a core obligation of citizenship (although initially only for men). That view changed in 1973 when the draft was abolished and an all-volunteer force was established. In 1960, England abolished its own system of conscription after some fits and starts. Many well-known factors led to ending the draft in the United States, including an unpopular war in Vietnam. Far less well known is the fact that Milton Friedman himself played a significant role in the ending of military conscription.<sup>16</sup> Friedman and his followers successfully argued to President Richard Nixon that the draft was the equivalent of indentured servitude. Friedman denied – adamantly – that such service was an obligation stemming from the civic duties of national membership, and his argument carried the day. The result is that in the United States – and in most developed democracies – military service has become voluntary, yielding a smaller and more focused group of enlistees, enticed at least in part by market considerations. Rather than being seen as a collective duty that all citizens must share, military service is now seen as another private decision.

Extending the reach of markets even more, war has been further outsourced to private military contractors: in 2009, there were more private military contractors in Afghanistan than U.S. military troops.<sup>17</sup> Hiring private mercenaries and outsourcing national security to a subsection of our population might spare our citizens, but as political philosopher Michael Sandel has noted, it changes the meaning of citizenship.<sup>18</sup> In what sense are we “all in this together” if most citizens never need to think hard about decisions to go to war? Whatever the efficiency pros and cons of the decision to outsource fighting and allocate military service through market means, doing so changes our relationships with one another and our sense of a common life.

**M**y argument so far suffers from treating the state and market as two stark alternatives for the allocation of goods and services in society. So I now want to consider ways in which the benefits of markets can be harnessed – through design – to better serve important democratic goals. Return to Adam Smith’s surprising claim that when we treat labor markets simply as we do apple markets, we will find forms of work where workers’ cognitive and affec-

tive capacities are stunted.<sup>19</sup> While we do not typically have to worry that the market production and distribution of apples have dramatic negative effects on the character and quality of apples, human beings are different.<sup>20</sup> According to Smith and many other classical political economists, labor markets are constitutive: the work we do also makes us.

A large body of research has found evidence in support of that claim: workers who simply functioned as cogs in machines, with little or no discretion at work, were more likely to become passive outside of the workplace. Writing in the 1960s, sociologists Gabriel Almond and Sidney Verba found that, across occupational types in five countries, those who were consulted about their opinions on the job scored significantly higher on a measure of subjective civic competence.<sup>21</sup> Their study looked in particular at workers' sense of personal efficacy in dealing with government bodies. Almond and Verba suggest that surrender of authority to employers at work is not good for civic engagement, or for workers' sense that they can contribute to the improvement of their society.<sup>22</sup>

These social effects of workplaces can be attenuated without abandoning a critical role for markets in the allocation of labor. One important mechanism is providing greater roles for worker voice. This can be done through such reforms as changing labor laws to support forms of worker association, like trade unions, allowing worker representatives on company boards, and strengthening democracy at work through diverse forms of ownership including worker-managed and -owned firms. Empowering the associational organization of labor would also help redress the background social conditions that render workers vulnerable to the oligarchic power of their employers.

There are other examples in which careful design and policy can limit the “noxiousness” of a particular market for democracy. Policies such as a negative income tax can strengthen the power of workers, and campaign finance laws can diminish the power of money in elections. Others have argued for reforms to our current system of commodified legal representation within an adversarial system, and for single-payer health care systems.<sup>23</sup>

**M**arkets have an important – even indispensable – place within modern heterogeneous large societies. But that place is bounded: we need a larger frame than efficiency and market failure for thinking about the kinds of markets we want and where we want to use them. I have argued that capitalist market relations – emphasizing efficiency, individual decision-making, heterogeneity, and decentralization – are not appropriate for certain kinds of social decisions. I have sketched the case for this conclusion by considering the allocation of children to schools. Democracy's promise is, after all, that we are each other's social equals. Delivering on that promise requires that schooling be available to all students in a manner consistent with John Rawls's formulation of fair equal-

ity of opportunity: “equal chances of education and culture for persons similarly endowed and motivated.”<sup>24</sup> It is inconsistent with an educational system that separates rich and poor, and Black and White into different schools with unequal resources; and thereby perpetuates racial inequality, snobbishness, and servility.

Beyond education, we need to pay special attention to particular markets that affect democratic functioning and stability. Such markets include but are not limited to markets in legal representation, media and news markets, markets relating to national defense, and markets governing political rights. Politicians and other commentators usually write unreflectively, as if all markets were the same. They are not. Markets affect not only the distribution of income and wealth, but also our capacities, and our views of each other. Their strengths but also their limits depend on the fact that they are radically individualizing. But in some contexts, that individualizing threatens the practice of democracy. Markets have moral and even “spiritual” consequences relevant to our shared public life, and our evaluations of them must also attend to those consequences. A new political economy needs to take this larger evaluative frame into account.

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#### AUTHOR’S NOTE

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#### ENDNOTES

<sup>1</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations, Volume 1* (Indianapolis: Liberty Classics, 1976), 412, my emphasis.

<sup>2</sup> *Ibid.*, 420.

<sup>3</sup> *Ibid.*, 781–782.



- <sup>4</sup> Indeed, one common solution to market failure is to find ways to add new markets that will take into account the externalities. If society cares about the negative effects of pollution, regulators can design mechanisms to force polluters to take those costs into account.
- <sup>5</sup> In Margaret Jane Radin's words, voting relates to a democracy community's normative life. See Margaret Jane Radin, "Market-Inalienability," *Harvard Law Review* 100 (8) (1987): 1854, <https://doi.org/10.2307/1341192>.
- <sup>6</sup> Debra Satz, *Why Some Things Should Not Be for Sale: The Moral Limits of Markets* (Oxford: Oxford University Press, 2010).
- <sup>7</sup> This example is from Ravi Kanbur, "On Obnoxious Markets," in *Globalization, Culture, and the Limits of the Market: Essays in Economics and Philosophy*, ed. Stephen Cullenberg and Prasanta Pattanaik (New Delhi: Oxford University Press, 2004).
- <sup>8</sup> Satz, *Why Some Things Should Not Be for Sale*.
- <sup>9</sup> My book identifies four dimensions of a noxious market: weak agency, highly unequal power, harm to individuals, and harm to democratic social institutions. These four dimensions do not always coexist.
- <sup>10</sup> Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), 89.
- <sup>11</sup> Jack Dougherty, "Shopping for Schools: How Public Education and Private Housing Shaped Suburban Connecticut," *Journal of Urban History* 38 (2) (2012): 205–224, <https://doi.org/10.1177/0096144211427112>.
- <sup>12</sup> I am assuming that the state does indeed have this interest.
- <sup>13</sup> Gordon W. Allport, *The Nature of Prejudice* (Cambridge, Mass.: Perseus Books, 1954).
- <sup>14</sup> It is of course possible to use a weighted formula in determining the worth of vouchers. That said, economic and racial integration are properties of schools and not individuals. So, an "individualist" solution to integration that proceeds via parents' choices seems insufficient.
- <sup>15</sup> R. H. Tawney, *Equality* (London: Unwin Books, 1952), 158.
- <sup>16</sup> Friedman's role in ending the draft is described in the first chapter of Binyamin Appelbaum's excellent book *The Economists' Hour: False Prophets, Free Markets, and the Fracture of Society* (New York: Little, Brown and Company, 2019).
- <sup>17</sup> See James Glanz, "Contractors Outnumber U.S. Troops in Afghanistan," *The New York Times*, September 1, 2009, <https://www.nytimes.com/2009/09/02/world/asia/02contractors.html>.
- <sup>18</sup> Michael J. Sandel, *What Money Can't Buy: The Moral Limit of Markets* (New York: Farrar, Straus and Giroux, 2012).
- <sup>19</sup> Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*.
- <sup>20</sup> While recognizing the effects of industrial production, such as the use of pesticides.
- <sup>21</sup> Gabriel A. Almond and Sidney Verba, *The Civic Culture: Political Attitudes and Democracy in Five Nations* (New York: SAGE Publications, 1963).
- <sup>22</sup> See John Stuart Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy* (New York: D. Appleton and Company, 1848).

<sup>23</sup> Shai Agmon, “Undercutting Justice: Why Legal Representation Should Not Be Allocated by the Market,” *Politics, Philosophy & Economics* 20 (1) (2021): 99–123, <https://doi.org/10.1177/1470594X20951886>.

<sup>24</sup> John Rawls, *A Theory of Justice* (Cambridge, Mass.: Harvard University Press, 1971), 275.

# Is There a Proper Scope for Markets?

Marc Fleurbaey

*Debra Satz's brilliant essay highlights that it is insufficient to study markets in terms of efficiency and potential market failures, as they have deep effects on people and societies. This line of thought could inspire the project of building a general theory of social interactions, in which the specific properties of market transactions would be identified, and their influence on society at large, depending on the surrounding institutions and social structure, could be understood. In this brief essay, personal care provides an example of the complex ramifications of different arrangements for social interactions.*

Debra Satz shows that discussing markets in terms of efficiency and potential market failures is insufficient, because markets have deep effects on people's character, and may be morally noxious even in the absence of identified failures.<sup>1</sup> Markets may amplify inequalities, or even generate harm, especially when one party suffers from weak agency. In *Why Some Things Should Not Be for Sale*, Satz identified problematic features that make some markets suspect.<sup>2</sup> She broadens this perspective in her essay in this issue of *Dædalus*, reflecting on how the quality of social interactions, the level of social cohesion, and the health of democratic institutions may be influenced by the presence of market transactions in certain domains.

This line of thought suggests that we need a general theory of social interactions, in which the specific properties of market transactions are identified, and their influence on society at large can be understood, depending on the surrounding institutions and social structure. It does not seem that such a theory exists already, and working toward its development seems a worthy project. In this essay, I will try no such thing, but share some thoughts about possible bits of such a theory.

Consider the case of personal care for dependent persons, such as young children and elderly people. Personal care can be organized in various ways.<sup>3</sup> The "family" way relies on a more or less consenting member of the family (typically, the mother or the daughter) to provide such care, with no direct remuneration, and with some expectation of positive feelings being part of the provision (with good effects on the person cared for). The "servant" way relies on hiring a person (typically female and unmarried) who becomes a second-tier member of the family and is expected to

provide positive feelings at a lower level than the family member. The “private care” way involves qualified professionals who provide care in a separate facility, or sometimes at home, in exchange for fees that are paid to their private or public employer. The “socialized care” way is similar to the private one, except that the service is free, or heavily subsidized, usually with adjustment for the family’s ability to pay. It may or may not involve the free choice of the facility or service in the area.

These options combine market and nonmarket features to various degrees. Each generates specific relations between care provider and receiver, and more or less favorable conditions for certain features in these relations. Here I will consider five features that appear particularly relevant to human flourishing: 1) the feelings involved in, or emerging from, the interaction, 2) the form of reciprocity involved in the relationship, which may foster or undermine altruistic forms of mutual help, 3) multiple externalities inducing over- or under-provision and affecting social inclusion and democratic institutions, 4) internalities shaping people’s character and their ethos in social life, and 5) the presence of social hierarchies and power relations associated with various arrangements.

Consider the provision of positive feelings, which are especially important for the development of young children but are also important for the mental health of elderly people. It is impossible to make people feel for other people through extrinsic motivations. No matter how much payment is offered, someone cannot just manufacture a feeling or believe something in order to obtain the payment. This issue is not primarily due to the fact that feelings and beliefs are easy to conceal and hard to verify, because in fact, in a long-term relation, they are hard to conceal. The main reason why feelings and beliefs are not for sale is they cannot be controlled by the subjects. No payment can make you believe that the earth is flat if you believe it is not, or love a person if you do not. This is a key barrier to commodification, and explains why the family way will always retain an important place, especially for the care of young children.

But this is not meant to exclude the occurrence of good feelings in market-like relations. Actually, long-term contact between people is generally conducive to bonding, and as in the family context, such bonding may be beneficial or toxic in a variety of ways. The servant way can make the servant almost like a member of the family or, on the contrary, submit them to constant harassment and bullying.

A second important dimension of the relationship is the type and degree of reciprocity involved. Market relations are the archetype for direct and immediate reciprocity, whereas nonmarket relations allow for more altruistic interactions, where reciprocity is seldom totally absent but may be deferred or indirect. Compared with private care, socialized care may free the participants from the aura of reciprocity and conditionality of market relations. This flexibility may have positive and negative effects. The positive effects come from the fact that since there is

no direct payment, the occurrence of good-quality relations is easier to interpret as reflecting genuine positive feelings and exert a good impression on the care recipient and their family. The negative effects come from the possibility that the absence of conditionality may make the care provider feel more empowered to treat the subjects in an unkind way. The option to choose the care provider within the socialized care setting may reintroduce some conditionality in the relationship and, at the same time, protect against abusive behavior while undermining the possibility to interpret kindness as genuine.

With this second dimension (reciprocity versus spontaneity), we see that market relations reduce the temperature of relations, making it hard to believe that kindness is genuine. Reducing the temperature is good when it replaces violent conflict over resources with *doux commerce*, but it is less attractive when it undermines the development of positive feelings and altruistic relations.

A third dimension in the analysis of social interactions is the generation of positive and negative externalities. Any interaction between some parties may affect third parties that are not part of the interaction, and this holds for market as well as for nonmarket interactions. One can, in the abstract, determine conditions under which externalities are either avoided or balanced so that, on the whole, positive and negative externalities of a particular action or transaction cancel out. But there is probably no simple recipe to handle the externality problem in the great variety of contexts in which it may arise. In the case of care, whether in the private-care or socialized-care context, there is the risk, as Satz notes for schools, that free choice may generate segregation and reinforce social stratification. There is also the possibility that social convention and conformism may lead to excesses. Interestingly, excesses can occur in any direction. There can be too much reliance on family care, forcing women to devote their time and energy to care work instead of pursuing their personal plans. When this overreliance occurs, developing a market for private care may be liberating, but expanding socialized care is likely to be even more liberating, especially for poorer segments of the population.

The opposite excess can occur when people are so focused on their personal flourishing that they rely too much on external care for their dependents. This other extreme may lead to impoverished social interactions and especially a stunting of emotional development for young children, but also a depressed end of life for elderly people whose contacts with family members are drastically reduced when they become dependent on external care. There can also be excessive reliance on servants, with the development of a labor market for such services in which employees are at great risk of abuse. Externalities underlie such excesses, because the dominant option in one's society is thereby made easier and cheaper, and the pressure of social conformism tends to entrench any dominant option.

One can add a fourth dimension of "internalities" to the picture: namely, that certain interactions shape or transform the character of the parties involved, with

spillover consequences for all spheres in which character traits may matter. Satz highlights the impact of subjugation in labor relations on the ability or disposition of citizens to participate actively in democratic life.

A related fifth dimension consists of the presence of asymmetric social roles being associated with certain market trades. While markets for slaves and for bonded labor operate underground, many legal markets do involve the submission of one party to the power of another party or to various forms of risk. In the case of care, the fact that a servant is supposed to obey their employer generates dangerous cues for the parties involved in the relationship, and abuse of power is commonplace in such contexts, as in any workplace, but with the additional risk associated with intimacy in a private home. The private and socialized care settings provide a more neutral ground for relatively cold but also relatively safe relations, although abuse scandals are repeatedly occurring in these settings as well. The private care option generates a customer-provider relation that involves less social hierarchy than the employer-servant relation.

However, this is complicated by the fact that there may be different relations at different levels. The person receiving care might not be the direct customer, and the person delivering care might not be the paid provider but a hired employee. The association between certain markets and certain social hierarchies can be regulated in order to protect the weak party. The regulation of nonmarket relations in which similar asymmetries occur is also possible, although indirect interventions, such as the provision of alternative options to the weak parties, or reforming social conventions through educational campaigns, can also be powerful while being less invasive.

**I**n conclusion, these five dimensions, by no means exhaustive, appear relevant in the analysis of the proper scope of market-like features (such as payment or free choice) in social interactions. First, the quality of relations depends very much on feelings involved in, or emerging from, the interaction, and these can be deeply affected by the presence of market-like features. Second, by promoting direct reciprocity, market-like features lower the temperature of relations and may protect the subjects from certain forms of abuse but also undermine the development of altruistic forms of mutual help. Third, many externalities can arise and lead to insufficient or excessive reliance on market-like features. And such market-like features can reinforce segregation and social stratification, or threaten democratic institutions. Fourth, character-shaping (internalities) may have strong consequences outside the transactions in which these internalities arise. Fifth, social hierarchies associated with certain market and nonmarket interactions can be problematic and warrant various forms of regulation and intervention. These five dimensions are interdependent: for example, internalities depend very much on feelings, and so on.



The general picture that is likely to emerge from further research on social interactions will be complex, as Satz suggests, since there is no clear-cut divide between market and nonmarket relations, and market-like features have positive and negative effects that very much depend on the social environment. In the current context of massive transformations in markets and networks, the value of pursuing this research agenda cannot be overstated, and Satz must be lauded for having led the way.

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#### ABOUT THE AUTHOR

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#### ENDNOTES

- <sup>1</sup> Debra Satz, "Democracy & 'Noxious' Markets," *Dædalus* 152 (1) (Winter 2023): 179–188.
- <sup>2</sup> Debra Satz, *Why Some Things Should Not Be for Sale: The Moral Limits of Markets* (New York: Oxford University Press, 2010).
- <sup>3</sup> In this issue of *Dædalus*, Alison Gopnik makes a vivid plea for recognizing the value of personal care and for facilitating the provision of care by relatives. Alison Gopnik, "Care-giving in Philosophy, Biology & Political Economy," *Dædalus* 152 (1) (Winter 2023): 58–69.

# How Should We Govern Housing Markets in a Moral Political Economy?

Chloe Thurston

*Building on Debra Satz's argument that we can design our way out of noxious markets, this essay shifts toward questions of process, paying particular attention to the constraints posed when noxious markets generate supportive political constituencies. Using the case of U.S. housing policy, I make two claims. First, even intentional efforts at using market design to harness the capacities Satz identifies can produce cross-cutting effects, strengthening democracies on some dimensions and weakening them on others. Second, noxious markets can generate supportive constituencies that may undermine reform efforts. Ultimately, a moral housing market requires political supports that can help to broaden communities of fate, build political capacities of those who are persistently underrepresented in local deliberations, and encourage participants to reflect on the consequences of market design.*

Debra Satz's insightful essay proposes several alternative metrics beyond efficiency that we might use to evaluate markets. To what extent does a market strengthen social connections or help citizens develop their capabilities? To what extent does it strengthen or undermine democratic institutions? Satz also argues that noxious markets can be redesigned "to better serve important democratic goals."<sup>1</sup> This important intervention raises questions about the *process* by which a shift from a noxious to moral market might occur. Questions of process, in turn, raise questions about possible constraints, particularly those generated by noxious markets themselves. One such limitation is that even markets designed in ways to promote prosocial behavior can undermine other goals, such as inclusion and expanded communities of fate.<sup>2</sup> Another is that noxious markets can also generate their own supportive constituencies. Thus, as we think about designing markets in ways that enhance democratic participation and institutions, we should also be attuned to the need for mechanisms that enable revision of market arrangements that exhibit these qualities.

In some regards, the U.S. federal government's promotion of homeownership exemplifies the idea that policy-makers can design markets with the explicit aims of increasing social cohesion, strengthening democratic institutions, or building citizens' civic capacities.<sup>3</sup> From the building and loans movements of the

late nineteenth century to the federal government's own-your-own home campaign in the 1920s to the creation of federal mortgage insurance in the 1930s to the "ownership society" efforts during the George W. Bush and William Clinton administrations, the supposed effects on the strength of communities, citizens, and the nation have been a prominent public argument for promoting home ownership (and to justify strong government involvement in homeownership).<sup>4</sup> As land economist Richard Ely remarked in the 1920s, "a homeowner is invariably a good citizen."<sup>5</sup> Banks and real estate brokers echoed this logic: newspaper advertisements in the 1920s argued that homeownership "plants the bed-rock of useful citizenship," safeguards the "permanence of our institutions," and "impels us to greater achievement, and to nobler purposes."<sup>6</sup> Homeowners would make for ideal citizens as well as stakeholders in a moral political economy.

Some of these predictions about the civic and moral power of homeownership have been realized, but in the process, they have also had corrosive effects on democracy. Homeowners turn out to vote at higher rates than renters in national and local elections; are overrepresented in local, state, and federal public offices; and are more likely to participate in local government meetings, such as city council meetings and planning and zoning commissions.<sup>7</sup> But homeowners regularly harness their political and civic energy toward exclusionary ends. These include mobilizing to prevent racial and religious integration, to oppose the development of affordable housing, to increase the housing supply through changes to land use regulations, or to "hoard" public goods in their jurisdictions.<sup>8</sup> To put this in the language of some of the other essays in this issue of *Daedalus*, efforts to design housing markets for prosocial aims have also operated to narrow participants' communities of fate and encourage the pursuit of narrow self-interest. Such markets may be hard to reform because they generate supportive constituencies, again, operating to some extent how their proponents had envisioned.

This is not to dismiss Satz's argument. Accepting the various metrics Satz presents, we might even extend our evaluation of markets to several of the dimensions laid out in Jenna Bednar's essay in this volume, such as dignity and sustainability.<sup>9</sup> But the possibility that markets can excel on one dimension while failing on another, and the possibility that this outcome may even enjoy political support, should sensitize us to the importance of including political mechanisms in market designs.

A moral housing market should be governed in ways that counter the propensity for citizens to occupy narrow and potentially exclusionary communities of fate. In practice, such efforts could mean measures that enable some decisions, including about public goods and affordable housing, are made in political venues with broader communities of fate. We see hints of these motives in efforts to appeal to state governments for land-use policies that have been rejected by lo-

cal jurisdictions (as in California). Expansionary governance might also take the form of mechanisms to help reduce the barriers faced by community members who are less likely to participate in politics, for example, efforts to organize renters or to incentivize participation by groups that tend to be underrepresented in local political meetings.<sup>10</sup> Finally, there is the need to regularly reevaluate whether outcomes that were anticipated to improve markets on these moral dimensions ultimately violate one or more other imperatives. The aim should be to create an equilibrium in which these different attributes can reinforce each other while still creating mechanisms for accountability and responsiveness, especially among those who tend to be most marginalized from housing markets and politics.<sup>11</sup>

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#### ENDNOTES

- <sup>1</sup> Debra Satz, “Democracy & ‘Noxious’ Markets,” *Dædalus* 152 (1) (Winter 2023): 184.
- <sup>2</sup> For a discussion of expanded community of fate, see Margaret Levi and Zachary Ugolnik, “Mobilizing in the Interest of Others,” *Dædalus* 152 (1) (Winter 2023): 7–18; and Margaret Levi, “An Expanded Community of Fate,” *Noema*, July 7, 2020, <https://www.noemamag.com/an-expanded-community-of-fate>.
- <sup>3</sup> There are many discussions of these developments, but see, for example, Marc A. Weiss, “Marketing and Financing Home Ownership: Mortgage Lending and Public Policy in the United States, 1918–1989,” *Business and Economic History* 18 (1989): 109–118; and Brian J. McCabe, *No Place Like Home: Wealth, Community, and the Politics of Homeownership* (New York: Oxford University Press, 2016).
- <sup>4</sup> Chloe Thurston, *At the Boundaries of Homeownership: Credit, Discrimination, and the American State* (New York: Cambridge University Press, 2018).
- <sup>5</sup> LeeAnn Lands, “Be a Patriot: Buy a Home: Re-Imagining Home Owners and Home Ownership in Early 20th Century Atlanta,” *Journal of Social History* 41 (4) (2008): 950, <https://doi.org/10.1353/jsh.0.0029>.
- <sup>6</sup> *Ibid.*, 955.
- <sup>7</sup> Katherine Levine Einstein, Joseph T. Ornstein, and Maxwell Palmer, “Who Represents the Renters?” *Housing Policy Debate* (2022): 1–15, <https://doi.org/10.1080/10511482.2022.2109710>; Jesse Yoder, “Does Property Ownership Lead to Participation in Local Politics? Evidence from Property Records and Meeting Minutes,” *American Political Science Review* 114 (4) (2020): 1213–1229, <https://doi.org/10.1017/S0003055420000556>; and Andrew

- B. Hall and Jesse Yoder, "Does Homeownership Influence Political Behavior? Evidence from Administrative Data," *The Journal of Politics* 84 (1) (2022): 351–366, <https://doi.org/10.1086/714932>.
- <sup>8</sup> Jessica Trounstine, *Segregation by Design: Local Politics and Inequality in American Cities* (New York: Cambridge University Press, 2018); Katherine Levine Einstein, David M. Glick, and Maxwell Palmer, *Neighborhood Defenders: Participatory Politics and America's Housing Crisis* (New York: Cambridge University Press, 2020); McCabe, *No Place Like Home*; and Alexander Sahn, "Racial Diversity and Exclusionary Zoning: Evidence from the Great Migration," working paper, Berkeley Institute for Young Americans, January 18, 2022, <https://youngamericans.berkeley.edu/2021/01/racial-diversity-and-exclusionary-zoning>.
- <sup>9</sup> Jenna Bednar, "Governance for Human Social Flourishing," *Daedalus* 152 (1) (Winter 2023): 31–45.
- <sup>10</sup> Jamila Michener and Mallory SoRelle, "Politics, Power, and Precarity: How Tenant Organizations Transform Local Political Life," *Interest Groups & Advocacy* 11 (2022): 209–236, <http://doi.org/10.1057/s41309-021-00148-7>.
- <sup>11</sup> Jamila Michener, Mallory SoRelle, and Chloe Thurston, "From the Margins to the Center: A Bottom-Up Approach to Welfare State Scholarship," *Perspectives on Politics* 20 (1) (2022): 154–169, <https://doi.org/10.1017/S153759272000359X>.

# Moral Firms?

*Rebecca Henderson*

*Building a new political economy requires transforming our markets, our institutions, and our policy and regulatory regimes. In this essay, I argue that it also requires transforming the purpose of the firm: from a singular focus on maximizing financial returns to the recognition that firms exist to support human flourishing, with profits merely a means to an end. I suggest that this transformation is already under way and indeed that it may help support fundamental change in the wider society, but that significant shifts in law, policy, and in the social and normative context are almost certainly essential if this new model is to become the norm.*

Could “moral” firms not only thrive in today’s intensely competitive world but also play a significant role in the struggle to build a new moral political economy? At first sight, the idea might seem preposterous. The world faces a series of potentially catastrophic problems – from climate change and massive biodiversity loss to accelerating inequality and continued racial exclusion – that are clearly public-goods problems, and that in many cases have been exacerbated by the ruthless push for profit that has characterized much of the last fifty years. In such a context, the idea that firms could be moral institutions committed to building a just and sustainable society might seem eccentric, if not disingenuous.

But the widespread acceptance of the idea that untrammelled greed should be the only motive for economic activity is a relatively recent phenomenon. For hundreds of years, capitalism – and capitalists – were held to high moral standards as a matter of course, and the pursuit of profit, unconstrained by a due regard for the community, was widely condemned.<sup>1</sup> In 1639, for example, a Mr. Robert Keaine, who “kept a shop in Boston,” was fined £200 for charging “unreasonable” prices. John Cotton, the leading Puritan minister in Massachusetts at the time, preached against him, summarizing his “false principles” as including “that a man might sell as dear as he can, and buy as cheap as he can” and that “if a man lose by casualty of sea, etc., in some of his commodities, he may raise the price of the rest.”<sup>2</sup>

As firms began to play an increasingly important role in European commercial life, the philosophers of the Enlightenment attempted to resolve the tension between morality and profit by proposing that the greedy businessperson might – paradoxically – increase the general good, *as long as firms competed fairly and honorably with each other*. Adam Smith and his colleagues suggested that replacing the imper-



ative to pursue honor with the imperative to pursue material gain could only make society better off, and in doing so transformed greed from a vice into a virtue that could enrich the entire society.<sup>3</sup> But this solution was *not* taken to release businesspeople from the need to have a strong sense of personal morality. Smith's *Theory of Moral Sentiments*, for example, insists that businesspeople need to pay great attention to matters of personal ethics, and indeed that society might not survive if they do not.

The idea that business had to be constrained by ethical precepts and a sense of responsibility to the broader society survived well into the twentieth century. Edwin Gay, the first dean of the Harvard Business School, serving from 1908 to 1919, announced that the school's purpose was to educate leaders who would "make a decent profit, decently," and in the thirty years following World War II, most large firms claimed to be managing their firms for the benefit of all their "stakeholders."<sup>4</sup> As late as 1981, the Business Roundtable – an organization composed of the CEOs of many of the largest and most powerful American corporations – issued a statement that said, in part:

Business and society have a symbiotic relationship: The long-term viability of the corporation depends upon its responsibility to the society of which it is a part. And the well-being of society depends upon profitable and responsible business enterprises.<sup>5</sup>

Indeed, Milton Friedman's famous suggestion that the "social responsibility of business is to increase its profits" is first and foremost a *moral* injunction, rooted in the belief that free markets can be a source of immense economic prosperity and individual freedom. From this perspective, to suggest that managers do anything other than maximize profits is to invite them both to abandon their duties as agents of their investors and to make society poorer and less free.<sup>6</sup>

But pursuing profits at any cost only maximizes economic prosperity when markets are perfectly competitive, or, among other conditions, when "externalities" such as climate change are appropriately priced and when everyone can freely compete in every market.<sup>7</sup> Markets only maximize social well-being when they support – or at least do not destroy – the health of the society and of the public institutions on which they rely. In a world in which many firms feel free to fund climate denial, to lobby aggressively to rewrite the rules of the competitive game in their own favor, and to tolerate working conditions that systematically atrophy the psychological and cognitive skills required to sustain democracy, there is no reason to believe that maximizing profits maximizes social welfare or individual freedom, or even that it meets the wishes of investors.<sup>8</sup>

In this context, there has been an explosion of interest in the old idea that firms should be "purpose driven": that making money should be viewed as a means to an end, not an end in itself; and that the goal of the firm should be not to maximize financial returns but to support the flourishing of the society in which it is embed-

ded. In August 2019, for example, the Business Roundtable released a statement redefining the purpose of the corporation as “to promote an economy that serves all Americans.”<sup>9</sup>

“Purpose” is fashionable – and global. One survey found that 40 percent of employees believed that the firms they worked for had embraced a purpose beyond profit.<sup>10</sup> Another poll, drawing on more than thirty-six thousand interviews across twenty-eight countries, found that “Societal Leadership is now a core function of business” and that “60% of employees want their CEO to speak out on controversial issues they care about.”<sup>11</sup> Discussion of “stakeholders” and “corporate social responsibility” has boomed, as has widespread condemnation of this trend as “woke” capitalism – surely a sign that it is starting to have real effects.<sup>12</sup>

Have firms changed their behavior? Some of this activity is clearly posturing, but as political scientist Richard Locke and colleagues’ discussion in this issue of *Dædalus* of the very different ways in which Tyson Foods and Sanderson Farms responded to the COVID-19 pandemic suggests, a significant number of firms are choosing to act in increasingly prosocial ways.<sup>13</sup>

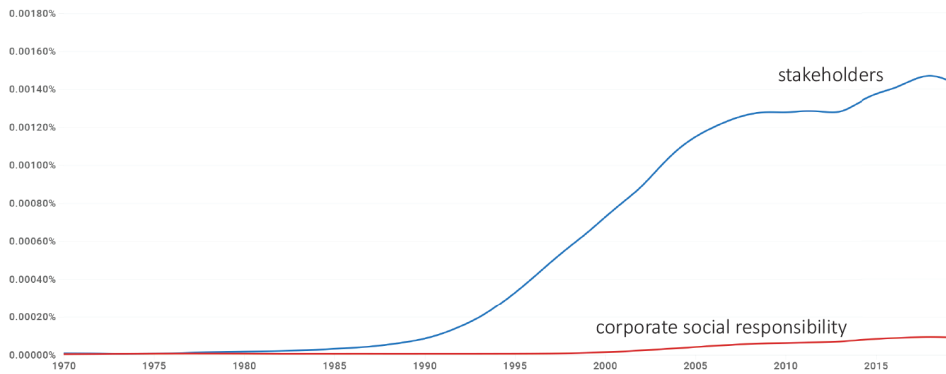
Consider, for example, the case of Erik Osmundsen, who gave up a career in private equity to become the CEO of Norsk Gjenvinning (NG), a Norwegian waste handling company. Osmundsen took the job because he had become passionately committed to action against climate change, and because he believed that building a “circular economy” – that is, transforming trash from a nuisance to be disposed of into a source of raw materials – could reduce global greenhouse gas emissions by billions of tons.<sup>14</sup> On taking the job, he discovered that the industry was cutting costs by dumping waste illegally, and announced that NG was going to do things differently: that it was going to conform to the law, to invest heavily in recycling, and to raise prices to cover the costs of doing so. This did not initially go down well. Half of his senior staff quit. So did many of his customers. His competitors denounced him for “bringing the industry into disrepute” and he and his family required police protection.

Fortunately, NG’s investors agreed that the new strategy might create long-term competitive advantage. Some customers were willing to stick with NG to protect their brands. Those employees who remained loved the idea of working for a company that was trying to transform the industry, and there was an explosion of innovation inside the firm that significantly reduced costs.<sup>15</sup> Today, NG is a leader in recycling technology and one of the largest recycling firms in Scandinavia.

Corporate leaders have often assumed that treating profit as a means to an end rather than a means in itself inevitably reduces profits. But there is no evidence that – on average – pursuing prosocial goals reduces performance. In fact, more recent work using better measures of prosocial commitment suggests that adopting prosocial goals is often correlated with superior financial performance.<sup>16</sup>

Figure 1

Google Books Ngram of the Frequency of Use of “Stakeholders” and “Corporate Social Responsibility” in Printed Texts, 1970–2019



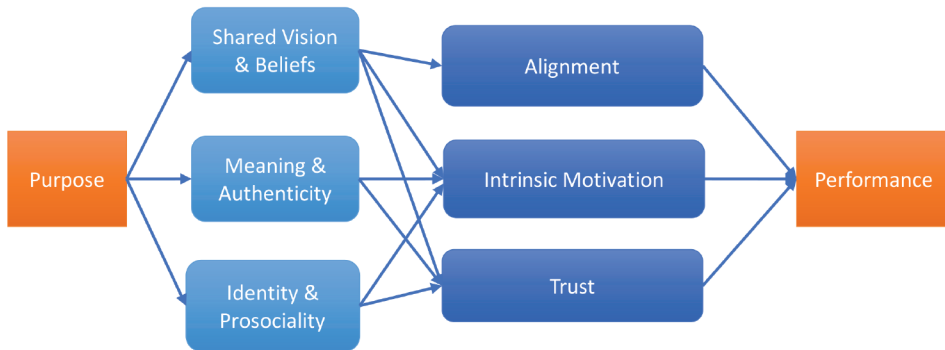
Source: Google Books Ngram Viewer, “Stakeholders” and “Corporate Social Responsibility” (case-insensitive), created May 26, 2022.

At first sight, this might seem paradoxical. How can raising wages above the competitive norm or switching to renewable energy when coal remains a cheaper alternative increase profitability? One answer is that the authentic embrace of purpose increases strategic alignment and levels of intrinsic motivation and trust across the organization, driving significant increases in productivity and creativity.<sup>17</sup>

High levels of strategic alignment and trust – coupled with the wider worldview that often comes with the embrace of a prosocial purpose – in turn often make it much easier for firms not only to identify the opportunities being opened by the need to decarbonize the world’s economy and rebuild its societies, but also to implement the sweeping organizational and strategic changes required to take advantage of them.<sup>18</sup>

This should not be taken to imply that adopting a prosocial purpose is the royal road to riches. As Osmundsen’s experience at NG suggests, successfully addressing problems like global warming often requires drastically rethinking the purpose of the firm and taking significant short-term hits to profitability to persuade employees, customers, and regulators that the purpose is authentic. In an environment in which many investors value short-term returns above long-term promises, becoming a genuinely purpose-driven firm is not for the faint of heart. This raises two questions. Are there ways in which it could be made easier? And if it will always be an uphill battle, is it worth attempting?

Figure 2  
From Purpose to Performance



Source: Figure by the author. Each of the arrows summarizes a significant academic literature. See Rebecca Henderson, “Innovation in the 21st Century: Architectural Change, Purpose, and the Challenges of Our Time,” *Management Science* 67 (9) (2021): 5301–5967, <https://doi.org/10.1287/mnsc.2020.3746>.

How can firms be persuaded – or prodded – to become more purpose driven? One critical step is to change the metrics used to measure and control firms. Without material, auditable, and replicable measures of the firm’s environmental and social impacts, it will be impossible for employees, customers, investors, or regulators to hold purpose-driven firms accountable. Fortunately, accounting is undergoing a revolution. Both the Securities and Exchange Commission (SEC), the body that regulates U.S. accounting standards, and the International Accounting Standards Board (IASB), the body that handles global financial standards, are considering requiring that, in addition to classical financial measures, firms also report environmental, social, and governance (ESG) metrics.<sup>19</sup> Developing these metrics will not be easy or cheap, but investors are increasingly demanding that firms begin the process of reporting them.

Another important step is to make clear that most firms have no legal duty to maximize shareholder value. Many managers – particularly in the Anglo-American sphere – believe that their fiduciary duty requires them to maximize investor returns. This is rarely the case. Nowhere in the world are firms legally required to maximize investor returns, and in general, it is entirely legal for publicly traded firms to embrace prosocial goals.<sup>20</sup>

Under Delaware law, for example, directors have fiduciary duties of care, loyalty, and good faith to both the corporation *and* its shareholders. This means that di-

directors can – and should – sometimes make decisions that do not maximize shareholder value in the short term to pursue long-term success. U.S. directors facing hostile takeover bids do this routinely, turning down offers that value the firm at significantly more than its current stock price in the belief that the takeover is not in the company’s long-term interests. It is probably illegal to make a business decision that will certainly destroy long-term shareholder value, but except in a few tightly defined situations – such as when so-called Revlon duties are invoked, requiring a board to attempt to get the best possible price for shareholders during a company’s sale – directors are protected by the business judgment rule and are free to embrace a prosocial purpose if they can make a convincing case that it will increase long-term profitability.<sup>21</sup>

Nonetheless, in nearly every jurisdiction, investors remain very much in control of the company, and their ability to replace directors at will makes many managers reluctant to commit to a prosocial purpose. Improving the ability to measure both the presence and the impact of such a purpose would certainly help, as would changing the rules that govern activist shareholders to make their actions more transparent, increasing the holding period for long-term capital gains tax, and establishing a modest financial transaction tax.<sup>22</sup> But changing corporate law could also make a significant difference.

One option is to require managers to consider the well-being of other stakeholders as they make decisions. For example, Principle B of the new UK Corporate Governance Code states that “the board should establish the company’s purpose, values and strategy, and satisfy itself that these and its culture are aligned.”<sup>23</sup> The British Academy project on the Future of the Corporation suggests that company directors should be required to establish a company purpose, to act in ways likely to promote fulfilment of that purpose, and to consider the consequences of any decision for the interests of both shareholders and stakeholders.<sup>24</sup>

Another possibility is to revise incorporation laws to encourage, or even require, companies to become “benefit corporations.” Benefit corporations bind themselves to create “public benefit.” They must publish a strategy outlining just how they plan to do this and produce an audited report every year detailing their progress toward their goals. Board members are required to consider the public interest in every decision they make.<sup>25</sup>

While these kinds of changes might seem relatively toothless since they leave investors in control of the firm, they could play an important role by reassuring managers that they cannot be legally penalized for considering the needs of other stakeholders, and by changing the nature of the conversation within the company and between the company and its investors. The widespread belief that a focus on the creation of social value will reduce profitability is as much an ideological or cultural artifact as it is a reasoned judgment about long-term strategy. Forcing firms to actively confront the question of whether taking a broader perspective

might not only be the morally appropriate thing to do, but could actually be in the long-term interest of the firm could play an important role in driving the shifts in conversation and attention that are fundamental to long-term systemic change.

Another possibility is to reduce the power of investors by vesting control in employees or customers, or in a trust or foundation, relying on loans or operating funds for capital. Mondragon, for example, is one of Spain's largest employers, with more than €12 billion in revenue and a wide-ranging global presence. It is also wholly owned by its eighty-one thousand employees.<sup>26</sup> Novo Nordisk, a pharmaceutical firm whose controlling shareholder is a foundation dedicated to creating long-term social good, is one of the most innovative and profitable firms in the pharmaceutical industry.<sup>27</sup> Reducing the legal and regulatory hurdles that make these alternative governance forms relatively hard to create would support a wave of experimentation that could have profoundly far-reaching effects.

A complementary approach could be to make *investors* purpose driven. This might seem even more eccentric than the idea that firms might become moral entities, but many of the world's largest investors and asset owners are increasingly aware that systemic risks like climate change present a significant threat to long-term financial returns. ESG funds captured a record \$51.1 billion of net new money from investors in 2020, more than double the prior year.<sup>28</sup> In his 2022 annual letter to CEOs, Larry Fink, the CEO of Blackrock, the world's largest asset management firm, explained: "We focus on sustainability not because we're environmentalists, but because we are capitalists and fiduciaries to our clients."<sup>29</sup> Seventy-five percent of investors now claim that climate change is central to or a significant factor in their investment policy, and climate-aware investors have recently scored some successes, including the addition of three new board members to Exxon's board.<sup>30</sup>

Another important move would be to modify the fiduciary responsibilities of asset managers. Many pensioners – the owners of a large fraction of the world's actively managed capital – have both much longer time horizons than their asset managers and a strong interest in ensuring that firms behave ethically and sustainably. One possibility, as Leo Strine, retired Chief Justice of the Delaware Supreme Court, suggests, is to require that institutional investors consider their ultimate beneficiaries' specific investment objectives and horizons as part of their fiduciary duties, and to explain "how their voting policies and other stewardship practices ensure the faithful discharge of their new fiduciary duties and take into account the new information reported by large companies on employee, environmental, social and governance matters."<sup>31</sup>

While in many jurisdictions the kinds of changes I have outlined above are already making a difference, persuading firms to focus as much on the creation of social value as on the creation of financial value will almost certainly require not only significant changes in metrics, corporate law, and investor behavior, but also



fundamental change in the norms and practices of the business community and of the broader society.

In Japan, for example, following World War II, the business community and the society at large explicitly embraced a model of capitalism that stressed the well-being of employees, a commitment to the long term, close engagement with suppliers, and an almost obsessive focus on the customer. These practices were complemented by tight relationships with a few large investors who generally played no formal role in the firm's governance. Japanese firms raised the bulk of their capital from banks and, in most firms, the board of directors was staffed exclusively by company insiders and chaired by the CEO. While many firms were publicly listed, and in principle subject to fiduciary duties very similar to those constraining their U.S. counterparts, they were protected from the threat of takeover by a system of extensive cross-holdings. At their peak in the early 1990s, these holdings accounted for around half of the value of all Japanese equities. This approach enabled Japanese firms to conquer the world's economy with innovative, low-cost products of unsurpassed quality. Between 1960 and 1995, Japan's GDP grew at an extraordinary rate, an "economic miracle" that made Japan the world's second-largest economy.<sup>32</sup>

In Germany, a system similarly dedicated to the well-being of the entire community has generated strong economic returns, large investments in environmental protection, and relatively low levels of inequality. German corporate law requires active "codetermination" between employees, investors, and managers, requiring, for example, the presence of employee representatives on the boards of companies over a certain size. But the nation's commitment to stakeholder well-being has historically also been upheld by a strong social consensus that it was appropriate to focus on stakeholder welfare, by investors who have had deep experience with its success and who were committed to its continuance, and by strong pressure from a powerful labor movement and a capable, highly respected federal government.<sup>33</sup>

Could these kinds of changes take hold in a world dominated by Anglo-American models of capitalism? At a time when corporations seem intent on sacrificing both democracy and the health of the planet to the pursuit of profit, could purpose-driven firms really be allies in the struggle to build a new moral political economy? Many thoughtful observers believe that modern capitalism has an inherently corrosive effect on the moral capital of the societies in which it is embedded, and in the United States, some corporations have already experienced significant backlash against their supposed surrender to "woke" ideologies.<sup>34</sup>

Of course, the implementation of an appropriate suite of policies would make a shift to purpose significantly easier. As several of the other essays in this volume suggest, building a genuinely moral economy will require the development of much stronger forms of employee representation, policies designed to support

human social flourishing and to protect the environment, and fundamentally rethinking the nature of our institutions.<sup>35</sup> The most effective way to persuade firms to decarbonize, for example, is through regulations or the use of market-based mechanisms – such as climate taxes – that make it expensive to burn fossil fuels or emit greenhouse gases.<sup>36</sup> But it is a mistake to let firms off the hook while we wait for this kind of transformative political change. Firms are among the most powerful institutions in the world, and there are – alas – many jurisdictions in which these kinds of policy changes are unlikely to be enacted or enforced. Building a moral economy also requires continuing to insist that firms think of themselves as moral entities whose fundamental commitment must be to the well-being of our society.

Active private sector cooperation, for example, could greatly accelerate the process of implementing the new regulatory and policy regimes we need. In the case of climate change, fully transitioning the electric power grid in the United States to renewable or recyclable energy will require a host of systemic investments – from control systems to power lines to storage systems – and hundreds of regulatory approvals. Even when prices are aligned and consumers are excited, technological development and diffusion take time. But firms willing to take the risks necessary to introduce new products and services can greatly assist the process.<sup>37</sup> Effectively addressing inequality and inequity is also much easier in partnership with firms who understand their mission as being more than maximizing profits. Solving the “good jobs” problem will require not only building a stronger voice for employees but also deep strategic collaboration between firms and local governments.<sup>38</sup> Purpose-driven firms are much more likely to be interested in these kinds of collaborations, not only because they are morally committed to reducing inequality, but also because they will benefit significantly if their competitors can be forced to behave better.

Purpose-driven firms are also much more likely to support the enactment of effective policy. Those firms that have made ambitious commitments to reduce greenhouse gas emissions, for example, will be significantly better off if governments can be persuaded to enact binding carbon regulation. Several of these firms have become visible advocates for climate regulation.<sup>39</sup> Some purpose-driven firms also actively support increases in the minimum wage and in public spending on local education and health care.<sup>40</sup>

Authentically moral firms might also help build the massive social and political movements needed to create a genuinely moral political economy. For most of the world’s population, the firm they work for is the single institution they trust the most.<sup>41</sup> It is where many people spend the vast majority of their working hours, and often the only place where they meet people whose views differ significantly from their own. Sustained experience in a setting in which many people attempt to shape their lives according to prosocial goals, and in which people are treat-

ed with dignity and respect and given real autonomy over their work lives, might prove to be breeding grounds for active citizens.<sup>42</sup>

Last but not least, purpose-driven firms could become active collaborators in the process of building effective democracies. While political engagement by firms is always a cause for concern, firms in many countries are already knee-deep in political activity, often in ways designed to increase profits rather than to increase social well-being. Purpose-driven firms that push for systemic reform and transparency around political engagement might foster a conversation that helps to change norms around political engagement. Very few businesspeople would defend the use of child labor, no matter how profitable it might be. A world in which burning fossil fuels and actively corrupting the political process are similarly unacceptable is surely not unthinkable.

The good news is that business has a strong collective case for solving the great public goods problems of our time. Destabilizing the climate, destroying the biosphere, and fracturing or displacing human societies will significantly reduce rates of economic growth.<sup>43</sup> An increasingly angry populism is likely to lead to the embrace of authoritarianism and – with it – of crony capitalism. Many firms understand that neither outcome is good for business, and they are increasingly building cooperative coalitions in response.<sup>44</sup>

Consider, for example, the problem of deforestation, the source of as much as 10 percent of the world's greenhouse gas emissions. Continued deforestation threatens both the brands and the supply chains of the world's consumer goods companies. But the early, purpose-driven commitments of a number of firms, including Unilever, Mars, and Coca-Cola, persuaded the buyers of more than 65 percent of the world's globally traded palm oil to commit to purchasing sustainably grown palm, paper, beef, and soy. Working with the large Brazilian food companies and the Brazilian government, they were able – before the advent of the Bolsonaro administration – to dramatically scale back deforestation in the Amazon.<sup>45</sup> There are more than two hundred such cooperative projects currently underway, from halting labor abuse in the textile industry and global fashion supply chain to developing low carbon technologies to make aviation fuel, cement, and steel.<sup>46</sup> These efforts have the potential to attract both investor and regulatory attention, provoking the development of formal sanctions for those firms that choose not to participate, and potentially tipping entire industries into patterns of better social or environmental performance.

Taken together, these efforts could help create a virtuous circle in which purpose-driven firms demonstrate that acting for the common good increases profitability (and social well-being), potentially persuading other firms to join them, supporting governments in enacting policies that might lock good behavior into place, and perhaps even helping to catalyze the social and political movement we need to build a truly just and sustainable society.

Transitioning to a world in which every firm embraces – and acts on – the idea that firms exist, in business scholar Colin Mayer’s elegant formulation, “to solve [public] problems profitably” will require exploring precisely how firms can find the right balance between a commitment to investors and a commitment to the well-being of the broader society.<sup>47</sup> This will take time. It will be accelerated by the kinds of social and political change advocated by so many that work in this space: by the revitalization of democracy, including a renewed commitment to capable, democratically accountable government, and by the emergence of some kind of organized voice for employees. But it will – I believe – also be driven by those business leaders at every level who are only too aware of the damage that our current conception of the firm is doing, and who are even now putting themselves on the line to build a truly moral economy.

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# Are Moral Firms Committed Firms?

Colin Mayer

*Corporate purpose is everywhere, but will it stay? Is it a business revolution or a passing fad, destined to go the way of so many business concepts? Reliance on the good judgment and goodwill of corporate leaders is a justifiable cause for concern, and resort is often sought instead in the apparently safe harbor of public regulation. But reliance should not be placed on governments and regulators alone to constrain the corporate giants in the face of a system that motivates abusive behavior. Instead, attention should be devoted to alignment of the intrinsic interests of corporations with those of society more generally.*

Rebecca Henderson's essay "Moral Firms?" in this issue of *Dædalus* is a compelling and powerful call for a new moral economy.<sup>1</sup> It argues that business has the potential to go beyond its currently perceived function as an engine of profit for its shareholders to play a pivotal role in addressing many of the failings that afflict our economic and political systems. Her essay points to important examples of what has and is being achieved, and the way in which business is grasping the environmental and social challenges it faces.

Henderson correctly notes that business is often regarded as psychopathic in promoting its own interests at the expense of others.<sup>2</sup> The essay could do more to explain the features of companies that avoid that characterization and succeed in moving beyond their self- to other-regarding interests.<sup>3</sup> How does business combine its traditional financial objectives with the broader ones that the new purpose-driven proponents advocate? Is all that is required more enlightenment on the part of corporate leaders, and, if so, what is meant by enlightenment in this context?

The notion of enlightenment is captured in what is termed "enlightened shareholder value." This is the basis of some legal forms of the corporation, such as in the UK Companies Act of 2006.<sup>4</sup> However, this is quite restrictive in suggesting that companies should only promote the interests of their stakeholders insofar as that assists in enhancing the success of the company and its shareholders over the long term.<sup>5</sup> Is this sufficient in addressing the environmental and social challenges that economies and societies face, or is more required of business? If the latter, how should this be realized and has it been achieved anywhere to date?

Henderson gives several examples of companies that are meeting the aspirations of those who believe that business can play a transformational role in creat-

ing a better world.<sup>6</sup> The question that these firms raise is: are they not only doing good things but doing them in a way that we can feel confident will persist? That is, can the winners of today's best business awards avoid, as has too often been the case in the past, becoming tomorrow's corporate collapses and scandals, or the subjects of hedge fund activism and hostile takeovers? If so, what are the characteristics of these firms, and what can we learn from them that is and should be transferable to others? If we cannot now identify businesses that have and will continue to succeed in delivering environmental and social, as well as financial, benefits, what will allow us to in the future?<sup>7</sup>

**T**he purposeful, responsible business agenda is at a critical juncture. It has attracted a global following of corporate leaders who purport to be advocates of the new movement. But one could, often justifiably, interpret their conversions more cynically as no more than an opportunistic exploitation of the emerging zeitgeist and avoidance of regulation on the road to Wall Street.<sup>8</sup> Critics thus frequently advocate for the importance of exerting pressure from outside the firms. As Margaret O'Mara concludes in her excellent accompanying response to Henderson's essay, "as it was in a Gilded Age dominated by railroads, oil, and steel, the path to the 'moral firm' most likely will come not from within the corporation, but from popular politics and regulatory action outside of it."<sup>9</sup>

I do not doubt the need for regulation to complement purposeful business. But history does not lend much optimism to the conclusion that regulation might be a substitute for or sufficient in taming the corporate giants. If it were so, then we would not be where we are today, looking down the barrel of extinction and failing democracies. The prospects for regulation are caught in the shadow of the manifest failure of democracies to cope with the most egregious forms of corporate abuse, such as in the Global Financial Crisis of 2007–2008, Volkswagen emissions scandal, and ongoing opioid crisis. What is still more worrying is the capacity of increasingly fragmented national governments to confront the growth of global natural monopolies in everything from social networks and access to knowledge and information to public health and the environment. The prospect of a global government may be neither desirable nor probable, but the global, not just multinational, corporation is already with us.

Henderson makes the powerful point that purposeful business, whose role it is to solve problems, relishes rather than resents regulation that prevents unscrupulous competitors undermining their good work. But business bending regulation to its own ends, however noble they may be, to keep competitors out, however detrimental they may be, inevitably raises concerns.

More substantially, we must recognize that regulation, like competition, requires, as Adam Smith emphasized, a general recognition of what is right and proper. However extensive and effective are the scope and enforcement of regu-

lations, they are abused by those who are set on circumventing them and turning them to competitive advantage. Purpose cannot simply be about producing profitable solutions but also requires an understanding and acceptance of what are legitimate and illegitimate sources of profits: namely, those that respectively do and do not derive from profiting without causing problems for others.

It is therefore critical that the advocates of the new movement establish the basis on which investors, regulators, and, above all, the public at large can look at business with confidence and acknowledge that it has seen the light and reformed its ways. We are not yet there. Instead, there is a serious risk that all the good work that has been done to date in persuading business to get a purpose, to elevate the importance it attaches to its stakeholders as well as its shareholders, and to recognize that the long term is not the next quarterly or annual report but future generations, will drown in a sea of ESG-washing (“environmental, social, and governance” investing), unsubstantiated sustainability commitments, and corporate scandals. The corporate social responsibility movement arguably did more harm than good by intensifying cynicism and skepticism of business. It is vital that corporate purpose does not do the same.

**I**f we cannot rely on either the enlightenment and goodwill of corporate leaders or the effectiveness of regulation to align private with public interests, to whom or what should we turn? The answer, I would suggest, is the law: not just public law in the guise of regulation, but private law in the form of corporate law. In establishing the fiduciary duties of directors to the success of the corporation and the benefit of its members (its shareholders), corporate law deliberately refrains from imposing a requirement on corporations to specify a purpose. This is a mistake, and has two drawbacks. The first is that it fails to ensure an alignment between the profit interests of the members of the corporation and the interests of society at large in social cohesion and prosperity. And second, it does not provide the basis on which corporations can commit to putting the interests of other parties ahead of those of shareholders.<sup>10</sup>

Henderson’s essay does an excellent job of establishing the power and potential of corporate purpose and its capacity to lay the foundations of an enduring transformation. But it should seek to tackle head-on the problems that have already been identified and that lie ahead. Just as we expect corporate leaders to evaluate the resilience of their business purposes and strategies, we should stress-test the business models that we promote. Would corporate purpose have avoided the worst abuses of financial institutions in the financial crisis or the failures of business in the COVID-19 pandemic and the energy crisis? How far will it go, even in conjunction with better designed and more effectively delivered government policy and regulation, in tackling inequality, social inclusion, and environmental degradation?

We need to ensure that the foundations of corporate purpose are not as fragile as its predecessors and that the new business models contribute to solving, not causing, the economic, environmental, political, and social crises of the future.

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# Can Firms Act Morally?

Margaret O'Mara

*The firm is a critical actor in the formation of a new moral political economy, but firm structure, culture, and profits can be an obstacle to change. The case of the American technology industry demonstrates the limits of relying on firms to change from within. The widespread practice of awarding stock ties white-collar compensation to corporate performance and curtails employee activism. The high-tech venture capital model measures success using rapid return on investment and acquisition of market share. Corporate governance practices and dual-class shares give founder-CEOs outsized control and entrench existing business models, even when they have damaging downstream consequences. The trajectory of these purportedly purpose-driven companies indicates that, as in the past, regulation may be the most effective path to meaningful corporate reform.*

What is the moral purpose of the corporation? In 1960, Silicon Valley business leader David Packard had a ready answer. “I think many people assume, wrongly, that a company exists simply to make money,” the Hewlett-Packard cofounder told his management trainees. “While this is an important result of a company’s existence, we have to go deeper to find the real reasons for our being.”<sup>1</sup>

Two decades later, Northern California’s computer makers sounded similarly high-minded. “Tandem is a *society* in which everybody is important,” declared entrepreneur James Treybig. As Apple prepared to go public in late 1980, cofounder Steve Jobs pitched his company as a passion-driven venture devoted to “building tools that amplify human ability.”<sup>2</sup>

Picking up the baton at the turn of the millennium came two computer science graduate students turned entrepreneurs, Sergey Brin and Larry Page. Like Packard, Treybig, and Jobs before them, the Google cofounders evangelized a kinder and gentler capitalism. Not too long after incorporation, Brin and Page published Google’s corporate philosophy online, titling it “Ten Things We Know To Be True.” Number six: “You can make money without doing evil.”<sup>3</sup>

In her powerfully argued contribution to this volume, Rebecca Henderson rightly identifies the firm as a critical actor in the formation of a new moral political economy.<sup>4</sup> Both her discussion and Colin Meyer’s response emphasize

how much depends on corporations turning away from their half-century of worship at the altar of shareholder value and embracing an interdependent, systemic model that promotes human and planetary flourishing. I agree that such change is foundational, and that the “moral firm” does not have to be an oxymoron.

The case of the American technology industry, however, reveals tensions inherent in calling for firms to change from within. Here are companies that now are among the most important and influential in the world, and that for decades have been presenting their corporate purposes and practices as both value-added and values-driven. Such efforts were more than public-relations spin. They were a conscious attempt by entrepreneurs and investors to overcome what they understood to be structural and moral failures of the corporation.

Midcentury pioneers like Packard saw the path to a better firm through abandonment of corner offices and *Organization Man*-style management structures, cementing employee solidarity through stock options rather than unionization, and transposing the egalitarian creativity of the engineering lab into an ideas-driven corporation.<sup>5</sup> Baby Boomers like Jobs embedded the values of the New Left and “Me” Generation into corporate organization and practice, keeping their hair long and flying pirate flags above product development labs. Dispirited by 1990s corporate behemoths who kept software behind proprietary walls and chose competition over collaboration, Gen Xers like Brin and Page foregrounded transparency and openness in corporate products and practices.<sup>6</sup>

In the early twenty-first century, workplace design and employee amenities helped convince millennial recruits that they could live their values and earn corporate salaries at the same time. Packard’s call to “go deeper” echoed across six decades as firms built on-site yoga studios and hired “chief mindfulness officers.” Sociologist Carolyn Chen aptly labels this approach “corporate maternalism,” providing physical and spiritual care in service of the relentless pace that tech work demands.<sup>7</sup>

Although academic researchers sounded early alarms, tech’s sunny alt-capitalist vision went largely unchallenged by American lawmakers and the business media until the mid-2010s, when negative downstream effects of the platform economy became too great to ignore. Tech’s newly energized critics began to realize that its firms were not that different after all. Delivering value to shareholders remained the preeminent corporate purpose, and on that metric, the industry emphatically delivered. By the end of 2021, the combined market value of the six largest tech-driven companies (Amazon, Apple, Facebook/Meta, Google, Microsoft, and Tesla) was \$11 trillion, making up more than 25 percent of the value of the entire S&P 500.<sup>8</sup>

The current tech critique ought to create space for the kinds of interventions Henderson identifies: pressure from discontented employee stakeholders, demands by purpose-driven investors, changes to corporate governance, and a firm

commitment to advancing prosocial and prodemocratic policy. Yet the structure and culture of tech firms can present mighty obstacles. These constraints stem both from tech's wildly profitable present and also, ironically, from its purpose-driven past.

**F**irst, *employees are often shareholders as well as stakeholders*. The practice of bestowing stock awards remains a standard feature of Silicon Valley white-collar employment. While the hit rate for venture-backed startups means that most options will eventually be worth little or nothing, they are powerful tools for recruitment and retention. Options keep payroll costs low for early-stage firms. In public companies, such “golden handcuffs” keep peripatetic employees from leaving until they are fully vested.

Tying compensation to stock price gives employees an interest in maintaining corporate profits; that, in fact, was the model's original intent. This has successfully contained white-collar activism and unionization efforts until quite recently, when whistleblowing and organizing drives – including the 2021 formation of the Alphabet Workers Union – revealed cracks in the model. Nonetheless, employee activists remain a distinct minority within a global white-collar tech workforce.

A market correction, such as the one that began in 2022, that reduces the financial upside of tech employment could rebalance this tension. Yet even in downturns, stock options remain highly desirable and expected perks. As stock awards have become a common feature of white-collar work in sectors beyond tech, we must grapple with the limits of employee advocacy when market performance plays a significant role in compensation.

But there is another consequential and potentially transformative recent development: activism among tech's blue-collar ranks. These are workers and contractors who, notably, do not enjoy stock awards or other compensation tied to corporate performance.

Like a large iceberg, the visible tops of tech firms are kept afloat by the great submerged mass of blue-collar labor, and the sector has a long history of efforts at blue-collar unionization that failed due to both fierce employer opposition and political disempowerment of a disproportionately minority and female workforce. The industry's recent growth has significantly swelled its blue-collar ranks and made contingent workers much more visible.

The uneven success of recent union drives, however, shows that large tech companies are willing to spend whatever it takes to protect a highly efficient and lucrative business model that, among other things, relies on the ability to quickly upsize and downsize. That corporate resistance, as well as the challenges inherent in organizing a part-time, rapidly cycling workforce, indicates that change will require more than worker activism alone.

A second challenge is a *venture capital model that encourages rapid growth and accelerated market exits*. You do not have to travel far along Sand Hill Road to find a venture capitalist (VC) calling themselves a “purpose-driven” investor. Like Henderson, these investors define purpose as something greater than making money. Somewhat paradoxically, they see moneymaking as a means to that greater end.

This philosophy has its maximalist expression in the words and deeds of Peter Thiel, the proudly contrarian billionaire who is one of the Valley’s more consequential twenty-first-century investors. The firm’s path to higher purpose, Thiel wrote in his 2014 entrepreneurial handbook *Zero to One*, is to create a new market and then grow to dominate it entirely. “Monopolists can afford to think about things other than making money,” Thiel stated. “Non-monopolists can’t.”<sup>9</sup>

Thiel was an early mentor to Mark Zuckerberg, the Facebook founder and CEO who at one point embraced a corporate tagline – “move fast and break things” – that came to epitomize the unapologetic hubris of tech’s platform age.<sup>10</sup> It also is blunt shorthand for the startup creed that has ruled Silicon Valley since its space-age beginnings: develop products quickly, grow markets fast, and cash out.

Tech profits have attracted new investors with comparably high expectations for rapid growth and generous returns. Quantitative easing by the U.S. Federal Reserve during the 2010s contributed to enormous sums of money sloshing around the global financial system and landing in the American technology sector.<sup>11</sup> In 2021, VC-backed deals in U.S. firms totaled \$335 billion, \$250 billion of which came from nontraditional sources. As they courted new money, tech founders made a familiar pitch: By investing in us, you not only will get rich. You’ll make the world a better place.<sup>12</sup>

It is frustrating to observe the constant invocation of prosocial values in the home of what longtime venture capitalist John Doerr once labeled “the largest single legal creation of wealth we’ve witnessed on the planet,” whose executives have done relatively little to alter products and business models with documented social harms.<sup>13</sup> It is disturbing to hear the truncated vision of democracy and society that so many of tech’s most powerful hold, a worldview that spills out in self-important blog posts, declarative tweets, and the writings of those they admire.

“When we look at the astounding violence of the democratic era,” observed self-styled “neoreactionary” Curtis Yarvin in 2007, “it strikes me as quite defensible to simply write off the whole idea as a disaster, and focus on correcting the many faults of monarchism.”<sup>14</sup> Even those less inclined to declare democracy dead are still willing to declare institutions of democratic governance useless. “Tech has been propping up all other sectors including the institutions that have lost all civic and public trust,” wrote Andreessen Horowitz partner Katherine Boyle in early 2022. “It’s now easier to solve critical national problems through startups.”<sup>15</sup>

All this raises a question applicable to corporate realms beyond tech as well: if executives and investors define the purpose-driven firm, will their definition be capacious and democratic enough to effect meaningful change?

A third point of friction comes from tech's *practices of corporate governance and tight founder control*. Such structures determine a firm's capacity to constructively engage in policy, civic integrity, and meaningful regulatory change.

In Silicon Valley's first tech generations, investors and board members often demoted or replaced a company's technical founders with more seasoned executives – “adult supervision” – to lead a firm as it matured. The model's most notorious breakdown began at Apple in 1985. Company leaders, grown tired of Steve Jobs's ego and insubordination, fired him from the company he founded. Eleven years later, Apple hired Jobs back, where he led the company from near-bankruptcy into a golden age of product innovation and stratospheric profits.

After that comeback, Silicon Valley's long-standing predilection for iconoclastic young founders solidified into something of a cult. Companies like Amazon, Google, and Facebook adopted dual-class stock structures that gave founders singular authority over corporate direction and purpose. This was not an unseemly power grab, Brin and Page argued as Google prepared to go public in 2004, but “designed to protect Google's ability to innovate and retain its most distinctive characteristics.”<sup>16</sup>

Founder-centric structures present excellent opportunities for leaders to act morally. Yet here again their understanding of moral purpose departs from how we authors might define it. As war raged in Ukraine in early 2022, CEOs like Zuckerberg and Google's Sundar Pichai outsourced the fraught navigation of geopolitics to deputies and focused their energies on what they considered to be their most important contribution to global betterment: developing and delivering new products. In the war's fourth week, Zuckerberg traveled to a tech conference to talk up the “metaverse” while Pichai gave a fulsome business-magazine interview declaring artificial intelligence to be “as important or more than fire or electricity.” Meanwhile Elon Musk, CEO of Tesla and SpaceX, embarked on a hostile takeover of Twitter that involved misinterpretations of the First Amendment, careless disregard for SEC regulations, and at least one poop emoji. Building tech is what these leaders know; building and rebuilding societies and democracies is daunting, messy, and complex.<sup>17</sup>

If corporate actors cannot take the lead in their reinvention, from where will the “moral firm” come? Tech history – and the history of industrial capitalism more broadly – indicates that it most likely will come via government regulation, formulated without influence or capture by the industries to be regulated.

Silicon Valley leaders have argued that regulation will slow innovation, lessen American competitiveness, and unduly constrain the entrepreneurial energy that made tech great. This misreads history. The U.S. government has been a constant presence since before the Valley produced its first microchip. Commercial tech products sprang from a foundation of immense government investment in basic research and education in the early Cold War. The extraordinary growth of the sector since the late 1970s came in part from the concomitant neoliberal turn in governance, as tax cuts and deregulation created a smooth runway for corporate expansion. Shrinking public programs and services left a civic vacuum that firms filled with new markets. Through the 1980s and 1990s, bipartisan enthusiasm for tech fueled further tax expenditures, public financing of online infrastructure, and deregulation of telecommunications and financial markets.

A lightly regulated environment allowed tech to prosper, but now the sector and its leading companies are so big, they are failing. They fall short not on the metric of shareholder value, but in social responsibilities that corporate bigness entails, especially for firms whose success has relied so heavily on public policy, whether or not their leaders know or acknowledge it.

**T**ech firms have been wildly successful at what they set out to accomplish. The industry's reach and the immensity of its fortunes, corporate and individual, tempt us to treat these entities like small nation-states and imbue them with public and philanthropic purpose. Firms should indeed be held to a higher standard. Yet, as it was in a Gilded Age dominated by railroads, oil, and steel, the path to the "moral firm" most likely will come not from within the corporation, but from popular politics and regulatory action outside of it.

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# The Moral Economy of High-Tech Modernism

*Henry Farrell & Marion Fourcade*

*While people in and around the tech industry debate whether algorithms are political at all, social scientists take the politics as a given, asking instead how this politics unfolds: how algorithms concretely govern. What we call “high-tech modernism” – the application of machine learning algorithms to organize our social, economic, and political life – has a dual logic. On the one hand, like traditional bureaucracy, it is an engine of classification, even if it categorizes people and things very differently. On the other, like the market, it provides a means of self-adjusting allocation, though its feedback loops work differently from the price system. Perhaps the most important consequence of high-tech modernism for the contemporary moral political economy is how it weaves hierarchy and data-gathering into the warp and woof of everyday life, replacing visible feedback loops with invisible ones, and suggesting that highly mediated outcomes are in fact the unmediated expression of people’s own true wishes.*

Algorithms – especially machine learning algorithms – have become major social institutions. To paraphrase anthropologist Mary Douglas, algorithms “do the classifying.”<sup>1</sup> They assemble and they sort – people, events, things. They distribute material opportunities and social prestige. But do they, like all artifacts, have a particular politics?<sup>2</sup> Technologists defend themselves against the very notion, but a lively literature in philosophy, computer science, and law belies this naive view. Arcane technical debates rage around the translation of concepts such as fairness and democracy into code. For some, it is a matter of legal exposure. For others, it is about designing regulatory rules and verifying compliance. For a third group, it is about crafting hopeful political futures.<sup>3</sup>

The questions from the social sciences are often different: How do algorithms concretely govern? How do they compare to other modes of governance, like bureaucracy or the market? How does their mediation shape moral intuitions, cultural representations, and political action? In other words, the social sciences worry not only about specific algorithmic outcomes, but also about the broad, society-wide consequences of the deployment of algorithmic regimes – systems of decision-making that rely heavily on computational processes running on large

databases. These consequences are not easy to study or apprehend. This is not just because, like bureaucracies, algorithms are simultaneously rule-bound and secretive. Nor is it because, like markets, they are simultaneously empowering and manipulative. It is because they are a bit of both. Algorithms extend *both* the logic of hierarchy *and* the logic of competition. They are machines for making categories and applying them, much like traditional bureaucracy. And they are self-adjusting allocative machines, much like canonical markets.

Understanding this helps highlight both similarities and differences between the historical regime that political scientist James Scott calls “high modernism” and what we dub *high-tech modernism*.<sup>4</sup> We show that bureaucracy, the typical high modernist institution, and machine learning algorithms, the quintessential high-tech modernist one, share common roots as technologies of hierarchical classification and intervention. But whereas bureaucracy reinforces human sameness and tends toward large, monopolistic (and often state-based) organizations, algorithms encourage human competition, in a process spearheaded by large, near-monopolistic (and often market-based) organizations. High-tech modernism and high modernism are born from the same impulse to exert control, but are articulated in fundamentally different ways, with quite different consequences for the construction of the social and economic order. The contradictions between these two moral economies, and their supporting institutions, generate many of the key struggles of our times.

**B**oth bureaucracy and computation enable an important form of social power: the power to classify.<sup>5</sup> Bureaucracy deploys filing cabinets and memorandums to organize the world and make it “legible,” in Scott’s terminology. Legibility is, in the first instance, a matter of classification. Scott explains how “high modernist” bureaucracies crafted categories and standardized processes, turning rich but ambiguous social relationships into thin but tractable information. The bureaucratic capacity to categorize, organize, and exploit this information revolutionized the state’s ability to get things done. It also led the state to reorder society in ways that reflected its categorizations and acted them out. Social, political, and even physical geographies were simplified to make them legible to public officials. Surnames were imposed to tax individuals; the streets of Paris were redesigned to facilitate control.

Yet high modernism was not just about the state. Markets, too, were standardized, as concrete goods like grain, lumber, and meat were converted into abstract qualities to be traded at scale.<sup>6</sup> The power to categorize made and shaped markets, allowing grain buyers, for example, to create categories that advantaged them at the expense of the farmers they bought from. Businesses created their own bureaucracies to order the world, deciding who could participate in markets and how goods ought to be categorized.

We use the term high-tech modernism to refer to the body of classifying technologies based on quantitative techniques and digitized information that partly displaces, and partly is layered over, the analog processes used by high modernist organizations. Computational algorithms – especially machine learning algorithms – perform similar functions to the bureaucratic technologies that Scott describes. Both supervised machine learning (which classifies data using a labeled training set) and unsupervised machine learning (which organizes data into self-discovered clusters) make it easier to categorize unstructured data at scale. But unlike their paper-pushing predecessors in bureaucratic institutions, the humans of high-tech modernism disappear behind an algorithmic curtain. The workings of algorithms are much less visible, even though they penetrate deeper into the social fabric than the workings of bureaucracies. The development of smart environments and the Internet of Things has made the collection and processing of information about people too comprehensive, minutely geared, inescapable, and fast-growing for considered consent and resistance.

In a basic sense, machine learning does not strip away nearly as much information as traditional high modernism. It potentially fits people into categories (“classifiers”) that are narrower – even bespoke. The movie streaming platform Netflix will slot you into one of its two thousand-plus “microcommunities” and match you to a subset of its thousands of subgenres. Your movie choices alter your position in this scheme and might in principle even alter the classificatory grid itself, creating a new category of viewer reflecting your idiosyncratic viewing practices.

Many of the crude, broad categories of nineteenth-century bureaucracies have been replaced by new, multidimensional classifications, powered by machine learning, that are often hard for human minds to grasp.<sup>7</sup> People can find themselves grouped around particular behaviors or experiences, sometimes ephemeral, such as followers of a particular YouTuber, subprime borrowers, or fans of action movies with strong female characters. Unlike clunky high modernist categories, high-tech modernist ones can be *emergent* and technically *dynamic*, adapting to new behaviors and information as they come in. They incorporate tacit information in ways that are sometimes spookily right, and sometimes disturbing and misguided: music-producing algorithms that imitate a particular artist’s style, language models that mimic social context, or empathic AI that supposedly grasps one’s state of mind.<sup>8</sup> Generative AI technologies can take a prompt and generate an original picture, video, poem, or essay that seems to casual observers as though it were produced by a human being.

Taken together, these changes foster a new politics. Traditional high modernism did not just rely on standard issue bureaucrats. It empowered a wide variety of experts to make decisions in the area of their particular specialist knowledge and authority. Now, many of these experts are embattled, as their authority is nibbled

away by algorithms whose advocates claim are more accurate, more reliable, and less partial than their human predecessors.

One key difference between the moral economies of high modernism and high-tech modernism involves feedback. It is tempting to see high modernism as something imposed entirely from above. However, in his earlier book *Weapons of the Weak*, Scott suggests that those at the receiving end of categorical violence are not passive and powerless.<sup>9</sup> They can sometimes throw sand into the gears of the great machinery.

As philosopher Ian Hacking explains, certain kinds of classifications – typically those applying to human or social collectives – are “interactive” in that

when known by people or those around them, and put to work in institutions, [they] change the ways in which individuals experience themselves – and may even lead people to evolve their feelings and behavior in part because they are so classified.<sup>10</sup>

People, in short, have agency. They are not submissive dupes of the categories that objectify them. They may respond to being put in a box by conforming to or growing into those descriptions. Or they may contest the definition of the category, its boundaries, or their assignment to it.<sup>11</sup> This creates a feedback loop in which the authors of classifications (state officials, market actors, experts from the professions) may adjust the categories in response. Human society, then, is forever being destructured and restructured by the continuous interactions between classifying institutions and the people and groups they sort.

But conscious agency is only possible when people know about the classifications: the politics of systems in which classifications are visible to the public, and hence potentially actionable, will differ from the politics of systems in which they are not.

So how does the change from high modernism to high-tech modernism affect people’s relationships with their classifications? At its worst, high modernism stripped out tacit knowledge, ignored public wishes and public complaints, and dislocated messy lived communities with sweeping reforms and grand categorizations, making people *more visible* and hence more readily acted on. The problem was not that the public did not notice the failures, but that their views were largely ignored. Authoritarian regimes constricted the range of ways in which people could respond to their classification: anything more than passive resistance was liable to meet brutal countermeasures. Democratic regimes were, at least theoretically, more open to feedback, but often ignored it when it was inconvenient and especially when it came from marginalized groups.

The pathologies of computational algorithms are often more subtle. The shift to high-tech modernism allows the means of ensuring legibility to fade into the background of the ordinary patterns of our life. Information gathering is woven



into the warp and woof of our existence, as entities gather ever finer data from our phones, computers, doorbell cameras, purchases, and cars. There is no need for a new Haussmann to transform cramped alleyways into open boulevards, exposing citizens to view.<sup>12</sup> Urban architectures of visibility have been rendered nearly redundant by the invisible torrents of data that move through the air, conveying information about our movements, our tastes, and our actions to be sieved through racks of servers in anonymous, chilled industrial buildings.

The feedback loops of high-tech modernism are also structurally different. Some kinds of human feedback are now much less common. Digital classification systems may group people in ways that are not always socially comprehensible (in contrast to traditional categories such as female, married, Irish, or Christian). *Human* feedback, therefore, typically requires the mediation of specialists with significant computing expertise, but even they are often mystified by the operation of systems they have themselves designed.<sup>13</sup>

The political and social mechanisms through which people previously responded, actively and knowingly, to their categorization – by affirming, disagreeing with, or subverting it – have been replaced by closed loops in which algorithms assign people unwittingly to categories, assess their responses to cues, and continually update and reclassify them. The classifications produced by machine learning are cybernetic, in mathematician Norbert Wiener’s original sense of the word. That is, they are self-correcting: categories are automatically and dynamically adjusted in light of the reactions that they produce.

The changing politics of credit in the United States helps illuminate these differences. Until the 1970s, broad demographic characteristics such as gender or race – or high modernist proxies such as marital status or the redlining of poor, primarily Black neighborhoods – were routinely used to determine a person’s creditworthiness. It is only when categorical discrimination was explicitly forbidden that new actuarial techniques, aimed at precisely scoring the “riskiness” of specific individuals, started to flourish in the domain of credit.<sup>14</sup>

This did not just change how lenders “saw” individuals and groups, but also how individuals and groups thought about themselves and the politics that were open to them.<sup>15</sup> Redlining was overt racial prejudice, visible to anyone who bothered looking at a map. But credit scoring turned lending risk evaluation into a quantitative, individualized, and abstract process. Contesting the resulting classifications or acting collectively against them became harder. Later, the deployment of machine learning – which uses even weaker signals to make its judgments, like using one’s phone’s average battery level to determine their likelihood to repay their loan – made the process of measuring creditworthiness even more opaque and difficult to respond to.<sup>16</sup>

Predictive scores that rely on behavioral measures eschew blatant racial *discrimination*. But it would be a mistake to think that they eliminate racial *disparities* –

they just make them harder to see, sometimes allowing them to ramify further.<sup>17</sup> This is why the political struggle against algorithms has emphasized historical biases embedded in training data sets and the inherent unfairness and poor performance of nontransparent, automated decision-making. The European Commission has proposed to regulate the use of “high risk” algorithms that endanger fundamental rights, subjecting them to frequent human review.<sup>18</sup> This would include the use of algorithms for public benefit eligibility, credit scoring, law enforcement, immigration control, employment, and more. Finally, traditional high modernist professionals – including judges, journalists, and law enforcement officers – have also pushed back against the use of algorithms in their work, treating them as irrelevant, inefficient, or a status threat.<sup>19</sup>

**T**he moral economy of high-tech modernism is market-driven, both practically and ideologically. Many algorithm-based start-ups want to expand market share rapidly and aggressively. Once revenues exceed fixed costs, the additional cost of adding a new user is comparatively tiny. Platform companies like Facebook or YouTube can serve billions of customers with tens of thousands of employees. Machine learning algorithms can gather data about users and dynamically provide and adjust flows of content, while auction and matching algorithms can maintain dynamic markets for advertisers who want access to customers with specific demographic characteristics.

Algorithms institutionalize competition between units (whether people, organizations, or ideas) by fostering a market-based vision of fairness.<sup>20</sup> The threat of being automated away looms large for all workers. Algorithmic technologies can also be implemented to hire and fire, to predict performance, influence, and riskiness, or to surveil, discipline, and arrest. They do so by rank-ordering according to their own particular versions of merit.<sup>21</sup> It is as though anyone who applies themselves can do well, and social structure and existing power allocations did not matter. (The irony is that while high-tech modernist firms are happy to turn the market screw on everyone else, they strive to establish monopoly for themselves).<sup>22</sup>

Just like the behavior of individuals, the distribution of knowledge must be subjected to the market test. High-tech modernism claims to represent popular judgment against the snobbishness of elites. Remember that Scott identifies high modernism as inherently antidemocratic because it enforces categories and objectives decided on by elites who “know better.”<sup>23</sup> High-tech modernism, by contrast, systematically undermines elite judgment, fueling a crisis of expertise.<sup>24</sup> Algorithms purport to read X-rays better than radiologists, predict purchases better than market researchers, understand people’s sexuality better than they themselves do, and produce new text or code better than many professional writers and engineers. Meanwhile, they elevate a kind of bottom-up wisdom. The network leaves it up to the crowd to judge what is worth knowing, generating collective

sentiments through likes, clicks, and comments. Viral trends and online multitudes provide a kind of pseudodemocratic, if extremely volatile, *vox populi*.

The absence of visible hierarchy legitimates high-tech modernism's claim that clouds and crowds best represent people's wishes. Its new elites echo early libertarian arguments about cyberspace, and quasi-Hayekian defenses of the market, facially justifying the notion that search engines and other algorithms are disinterested means of processing the internet's naturally dispersed stock of knowledge.<sup>25</sup> They flatter high-tech modernism as defending the liberties of the individual, freed from physical and social bonds, against traditional status hierarchies. The abundant data that people "freely" upload or leave behind as they roam cyberspace become "an unqualified good," fostering beneficial competition for everyone and everything.<sup>26</sup>

The awkward fact is that hierarchy has not disappeared. It has only become less visible. Platform companies' business priorities determine the algorithms that are employed, as well as their "objective functions," the weighted goals that they are supposed to maximize on. Social media corporations employ algorithms that maximize "engagement," keeping consumers scrolling through feeds or watching video clips so that they keep seeing paid content that may itself be misleading. Amazon, in contrast, cares more about getting people to buy things, and, according to legal scholar and Federal Trade Commission Chair Lina Khan, uses its detailed transaction information and ability to rank search outcomes to fortify its market dominance.<sup>27</sup> Platform companies dislike even tweaking their algorithms in response to regulators' demands for fear that it might create a precedent for further interventions that would conflict with their business model.

As search engines have transformed from general-purpose technology to personal digital assistants, they have elevated searching the web and forming an opinion "for oneself" into a normative principle. People think of search engines as oracles, but as sociologist Francesca Tripodi and others have shown, they work more like distorting mirrors that variously confirm, exacerbate, or take advantage of people's priors.<sup>28</sup> Our interests and beliefs are embedded in the vocabulary we use, the questions we ask, perhaps our whole search history. YouTube, Facebook, and other social media present content based on what we have wanted to see in the past, and what other people who are like us across some array of dimensions have wanted to see.

In this way, platform companies have become knowledge intermediaries, like newspapers or school curriculum boards, while insulating themselves from traditional accountability. Their algorithms and (perhaps just as important) sharing and search tools help foster categories that can become self-reinforcing private universes of discourse, producing echo chambers in which other voices are silenced, or epistemic bubbles that guide users to apparent authorities who actively look to discredit other sources of information.<sup>29</sup> However, the invisibility of hier-

archy allows these knowledge intermediaries to justify themselves on *laissez-faire* principles, not telling the public what to trust, even while they quietly sink deeper into the Augean mire of moderating offensive, false, or untrue content.

Our universe of accessible knowledge is shaped by categorization processes that are invisible and incomprehensible to ordinary users, according to principles that have little regard for whether it is well sourced. The outcome is that the way that people “take [their] bearings in the world” is slowly changing.<sup>30</sup> Visible feedback loops between the people being categorized, the knowledge they have access to, and the processes through which the categories are generated are replaced by invisible loops mediated through algorithms that maximize on commercial imperatives, sometimes creating incompatible and self-sustaining islands of shared (“post-truth”) beliefs among micropublics who have been categorized in particular ways, and who may themselves act to reinforce the categories. A new terrain of political struggle has arisen, involving the exploitation of information systems and algorithmic dynamics for partisan advantage.

This is a different set of moral pathologies than those suggested by social psychologist Shoshana Zuboff, who emphasizes platform companies’ manipulation of people’s wants and beliefs, which might or might not succeed.<sup>31</sup> The more corrosive threat may be that people have been convinced that the high-tech modernist system of knowledge generation is an open buffet where “anything goes,” and that keeping it that way is essential to their own freedom. Anyone can offer content, anyone can be their own expert, and it is up to the algorithm to sort it out. Further, the new existential condition of transparency has provided everyone with potent tools to expose or doubt others, only moderated by their own vulnerability to be exposed in turn – an inherently agonistic situation.

**A**t the end of the day, the relationship between high modernism and high-tech modernism is a struggle between two elites: a new elite of coders, who claim to mediate the wisdom of crowds, and an older elite who based their claims to legitimacy on specialized professional, scientific, or bureaucratic knowledge.<sup>32</sup> Both elites draw on rhetorical resources to justify their positions; neither is disinterested.

The robust offense and disbelief that many people feel about algorithmic judgments suggests that the old high modernist moral political economy, faults and all, is not quite dead. The new moral political economy that will replace it has not yet matured, but is being bred from within. Articulated by technologists and their financial backers, it feeds in a kind of matrophagy on the enfeebled body (and the critique) of its progenitor. Just as high modernist bureaucracies did before, high-tech modernist tools and their designers categorize and order things, people, and situations. But they do so in distinctive ways. By embedding surveillance into everything, they have made us stop worrying about it, and perhaps even come

to love it.<sup>33</sup> By producing incomprehensible bespoke categorizations, they have made it harder for people to identify their common fate. By relying on opaque and automated feedback loops, they have reshaped the possible pathways to political reaction and resistance. By increasing the efficiency of online coordination, they have made mobilization more emotional, ad hoc, and collectively unstable. And by insisting on market fairness and the wisdom of crowds as organizing social concepts, they have fundamentally transformed our moral intuitions about authority, truth, objectivity, and deservingness.

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#### AUTHORS' NOTE

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# The Structuring Work of Algorithms

*danah boyd*

*Algorithms reflect how power is arranged within our society while also producing power dynamics themselves. Algorithmic systems configure power by engaging in network-making, thereby shaping society and entrenching existing logics into infrastructure. To understand the moral economy of high-tech modernism, we must explore how algorithmic systems contribute to ongoing social, political, and economic structuring. This essay reflects on the importance of algorithmic systems' positions within our political, economic, and social arrangements.*

Henry Farrell and Marion Fourcade call on us to consider “the moral economy of high-tech modernism.”<sup>1</sup> They emphasize how algorithmic systems are engines of categorization that produce power dynamics by structuring the social, political, and economic order. Yet algorithmic systems are also configured by networks and data infrastructures. Algorithms not only produce power but reflect the power arrangements within which they operate.

Algorithms, like bureaucracy, structure things, making the categories through which they exercise power over society. Their category-making is entangled with the categories that the state creates for its own power-making purposes.<sup>2</sup> Algorithms appear to turn disorganized data into seemingly coherent networks, but the product of this process often reifies and amplifies existing power arrangements. No matter what categories are created, these are at most frozen slices of a larger and perpetually shifting whole, fleeting and provisional summaries of one part of a very complex set of network relations. Thus, it is in the network itself that the real power relations remain.

In laying out a theory of “power in networks,” sociologist Manuel Castells leverages the language of “programming” to analyze the power that social actors assert when purposefully structuring the institutional, social, economic, and political arrangements of society. Castells is particularly interested in what he calls “network-making power,” or “the power to program specific networks according to the interests and values of the programmers, and the power to switch different networks following the strategic alliances between the dominant actors of various networks.”<sup>3</sup> Inverting this programming language to examine machine learning systems that exert power in society reveals why algorithms feel so unset-

ting. The power that stems from these systems is rooted in their network-making work as much as in the authority and centrality they are given.

Many twentieth-century equality movements center on revealing the disparate experiences and centuries-long discrimination of people based on socially constructed categories. In the United States, the Civil Rights Act of 1964 sought justice by reifying categories – race, color, religion, sex, national origin – to reclaim them, which made these categories infrastructural, requiring the state to collect data about people in relationship to these categories to support antidiscrimination claims.

Machine learning algorithms do not require *a priori* categories because they can be designed to cluster nodes based on available features or operate across multi-dimensional networks without clustering. Even though sociologists have long highlighted how network position matters, antidiscrimination laws have no conception of networks.<sup>4</sup> After all, antidiscrimination laws start with the notion of a “class” of people. Scholars who evaluate the discriminatory work of algorithmic systems invariably begin by evaluating how algorithms develop clusters and correlations that can be mapped onto known categories, either directly or as proxies.<sup>5</sup> And, indeed, when algorithms are flagged as racist in social discourse, critics revert to the social categories maintained by the state that have dominated socio-political consciousness.

The real danger of algorithmic systems – and their network-making power – is that they can be used to produce a new form of discrimination, one that cannot easily be mapped onto categories but can help enable and magnify social inequity all the same. Contending with the moral consequences of these systems will require a new framework for evaluating and remedying inequity, for these systems can easily be designed to evade the categories that ground legal frameworks.

**A**lgorithms run on data, but data are made, not found. Data are never neutral or objective; they are socially produced.<sup>6</sup> What data exist – and what do not – stem from social choices. What data algorithms see – and what they do not – are also shaped by social choices. In other words, algorithms are not the only socially constructed system in this sociotechnical arrangement, nor the sole source of power. Algorithms can be made transparent and interpretable but still be manipulated to produce dangerous outcomes when actors toy with the underlying data.

In the early part of the twentieth century, Congress wanted to depoliticize the allocation of representatives upon which the United States’ political system depends. Every decade, after census data were delivered to Congress, fights would break out in the halls of the Capitol as politicians argued over how to divvy up the representatives, and how many more representatives to add. The proposed solution, eventually adopted in 1929, was to predetermine both the number of representatives and the algorithm used for apportionment.<sup>7</sup> This algorithmic “solution”

did not render the census neutral; it simply shifted the locus of politicization to the data infrastructure.<sup>8</sup>

Contemporary debates around the power of algorithms often highlight how biases in underlying data can affect the model.<sup>9</sup> Yet the response to these critiques is often a call to “de-bias” the data, as though an idealized “neutral” data set were possible. Once an algorithmic system is situated as a powerful social actor, those seeking to configure the system to their advantage shift their attention to shape the data infrastructure upon which those systems depend. Algorithms do not make a system more neutral; they simply reconfigure the site of manipulation.

**F**arrell and Fourcade rightfully highlight the limits to the pursuit of fairness and justice through algorithmic systems, flagging examples of naive thinking on the part of algorithmic dreamers. Technology, like bureaucracy before it, cannot fix intractable social ills. Rather, technology is consistently leveraged to codify the values that its makers or users wish to make rigid. The algorithmic systems that plague us today were born out of a variant of late-stage capitalism that is driven by financialization. With the backing of venture capital, most of these systems grow like cancer, killing some cells while replicating malignant ones in the interest of those making economic bets. Whatever morality exists in this version of capitalism is centered on individual gain at the expense of the collective. That logic is embedded in countless algorithmic systems.

Algorithms are not inherently evil, but their position within a political, economic, or social arrangement matters.<sup>10</sup> Consider “scheduling software,” a category of tools designed to allocate job shifts to workers. Such tools can be designed to optimize many different interests. If workers were asked to indicate their preferences – what start times are ideal, how many hours they wish to work, who they wish to work with, and so on – the system *could* be structured to optimize workers’ interests.<sup>11</sup> But these systems are rarely designed this way. Employers who buy these systems seek scheduling tools that are designed to maximize their interests. The resultant tools often ensure that few workers are given enough hours to be eligible for benefits. Shifts are commonly allocated to prevent unionization by minimizing opportunities for workers to develop relationships. These algorithmically generated shifts are rarely consistent or announced in advance, providing workers little room to navigate childcare, let alone the flexibility to hold a second job to make up for the incomplete hours. This is not by accident. The choices in the design of these algorithms maximize the financial interests of management at the expense of workers, actively structuring networks to disempower workers without legally discriminating against them.<sup>12</sup> The problem in this arrangement is not the algorithm, but the financial and political context that makes this design acceptable.

High-tech modernism is not a radical break from high modernism, but an extension of the very same logics. It is reasonable to focus on the new instruments

of power, but it behooves us also to keep track of the social, political, economic, and structural arrangements that enable algorithms of interest to emerge, as well as the networks that such technologies rely on and reinforce.

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# High-Tech Modernism: Limits & Extensions

*William H. Janeway*

*High-tech modernism is a powerful construct for reading the broad range of effects of digitalization on society. This response to Henry Farrell and Marion Fourcade's essay "The Moral Economy of High-Tech Modernism" first notes that high-tech modernism seems initially specified for application to advanced, quasi-liberal political economies. It then identifies three dimensions along which that construct could usefully be extended: 1) to take account of the limits of machine learning techniques of data analysis; 2) to consider the manner in which algorithmic digitalization transforms both the content and the management of work; and 3) to examine political responses to high-tech modernism, reminiscent of Karl Polanyi's "double movement," increasingly observable across a spectrum that runs from competition policy to the labor market.*

Henry Farrell and Marion Fourcade characterize high-tech modernism by its mobilization of machine learning-based algorithms to do the work of classification and management that had been performed by the paper records of bureaucracies, both public and private, in the high modernism of political scientist James Scott.<sup>1</sup> They particularly call out the difference between the "standardization": of people and goods propagated in the previous analog regime versus the differentiation by individual attributes and behavior that the digital regime enables. Further, the digital regime is dynamic: tracking, recording, and evolving in response to behavioral feedback initiated by the algorithms themselves, conditioning and constraining human agency with the "invisible loops" of these algorithms.

This is a powerful and relevant construct for reading the consequences of the digital revolution. One general comment is in order. The domain that Farrell and Fourcade explore seems implicitly to be that of the capitalist West, where state capacity and reach have been constrained by a long generation of neoliberalism, now in retreat (or so we may trust). High-tech modernism with Chinese or Russian characteristics, for example, would likely elicit significant shifts in perspective and analysis.

The importance that Farrell and Fourcade appropriately give to the techniques of machine learning call for a brief review of the weaknesses and limits of this

technology. The outputs of machine learning algorithms are necessarily conditioned on their training data, supervised or unsupervised. Some six years ago, the digital guru Maciej Cegłowski pithily observed: “Machine learning is money laundering for bias.”<sup>2</sup>

The power of machine learning methods to identify patterns in data is challenged by two deep flaws. First, as Big Data morphs into Humongous Data, the available patterns of correlations increase exponentially. The difficulty of identifying causal relationships in the sea of false correlations similarly rises.<sup>3</sup> Second, it is hard enough to extract *information*, represented by those patterns, from the data. It is a different and higher order of magnitude of difficulty to ascribe *meaning* to that information, as meaning is dependent on the context in which the data were generated and consumed.

In line with Farrell and Fourcade’s essay, the application of machine learning algorithms to any data set is intended to confer a certain objective legitimacy on the result. But controversial applications – as in the criminal justice system to influence parole hearings and sentencing judgments – are being called out and questioned.<sup>4</sup> Further, old-fashioned profit maximization can visibly pollute and corrupt the presumed objectivity of the algorithmic output, as has become the case with Google’s PageRank algorithm, a relatively early and triumphant machine learning technique.<sup>5</sup>

Successive technological revolutions have transformed both the content and management of work before: for example, the mills of the First Industrial Revolution, with workers clocking on and off shifts, and the assembly line of the Second, with the disciplined microfragmentation of tasks. Machine learning brings in a new dimension of automation: routine tasks reach higher up the hierarchy of skills and status, into the middle third of the distribution of compensation.<sup>6</sup> The application of algorithms to optimize the supply side takes commoditization of labor to a new level.<sup>7</sup>

The emergence of the “gig economy,” peopled by part-time providers of services orchestrated by digital platforms, depends on optimizing algorithms. Whether in call centers or distribution centers or driving their own cars or bikes, gig workers exemplify the precarity that high-tech modernism brings to the labor market. Farrell and Fourcade do take brief note of the machine learning applications “implemented to hire and fire, to predict performance.”<sup>8</sup> They could usefully expand on this domain of high-tech modernism.

Those who know they are inventing the future are all too likely to ascribe no value to the time and effort it takes to understand how the world they are disrupting came to be and how it works. Moreover, as Farrell and Fourcade note, the digital authors and architects of high-tech modernism share

a broadly libertarian bias, most explicitly expressed through the rise of “crypto,” or crypto-currencies. In particular, success in reducing technological frictions in the delivery and consumption of services often leads the disrupters to ignore the other frictions that remain, especially the political ones.

Uber and Airbnb have discovered that the regulatory structure that evolved over generations for transportation and hospitality services are not successfully overridden with a casual apology. Even while labor organizers struggle to enlist gig and hourly workers from Starbucks to Amazon, legislators and regulators are examining the grey area between gig work and employment.<sup>9</sup> And the less ideologically driven crypto players are embracing regulatory compliance.<sup>10</sup>

More broadly, the bipartisan “techlash” has taken specific form in the rediscovery of the antitrust laws and their incipient liberation from the constraints of “law and economics.” Lina Khan’s elevation from author of a *Yale Law Journal* article to chair of the Federal Trade Commission is exemplary.<sup>11</sup>

Farrell and Fourcade ascribe “the robust offense and disbelief that many people feel about algorithmic judgment” to the possibility that “the old high modernist moral political economy . . . is not quite dead.”<sup>12</sup> But could we not look forward rather than back? Is it not possible that we are witnessing yet another “double movement,” such as that explored by economic anthropologist Karl Polanyi and whose reversal was analyzed by political scientist Mark Blyth?<sup>13</sup> Might society be mobilizing in response to high-tech modernism? It would at least be pretty to think so!

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# Governance Archaeology: Research as Ancestry

*Federica Carugati & Nathan Schneider*

*This essay presents the idea of governance archaeology, an approach to learning from the past to inform the politics of the future. By reporting on a prototype historical database, we outline a strategy for co-producing a global commons of collective governance practices that can inspire institutional learning and experimentation, particularly in the face of rapid technological change and vexing global crises. Embedded in our approach is an orientation of ancestry whereby practitioners cultivate relationships of accountability and responsibility to the legacies they learn from, recognizing the harm from past patterns of exploitation. By taking seriously a wide range of historical governance practices, particularly those outside the Western canon, governance archaeology seeks to expand the options available for the design of more moral political economies.*

**D**uring the period in Europe that continues to be called *the Enlightenment* – as if there could be no other – a certain class of thinkers and politicians had the opportunity to significantly remake fundamental arrangements of the social order. How they did it may seem shockingly conservative to today’s political innovators: they looked to the past. They used texts such as those in Thomas Jefferson’s beloved library, so full of political antiquities, to make arguments about what had happened many centuries earlier in the heydays of Athens and Rome. Less explicitly, they cribbed lessons from the peoples that their colonial projects brutalized and sought to erase. Benjamin Franklin invoked the “Ignorant Savages” of the Haudenosaunee (Iroquois) Confederacy to embarrass his fellow colonists into organizing at least as well against British rule.<sup>1</sup>

The embers of that Enlightenment have dimmed over the intervening centuries, but another opportunity for remaking the social order may be at hand. The eighteenth-century regime of electoral republicanism within nation-states, later rebranded as “democracy,” appears to be threatened around the world, and an unappealing cadre of authoritarians has lined up to take its place.<sup>2</sup> The decades-long ascent of transnational corporations now jockeys with the disruptions of world-spanning digital networks that have reprogrammed information flows, then political fortunes, and increasingly the basic units of social and economic

life. The means of coordinating to address urgent challenges like climate change and pandemics seem persistently out of reach. Aspirations toward a new moral political economy – resilient enough to survive against the alternatives – will succeed or fail depending on whether we can find suitable means of governing it.

It is enticing to think of the future as a truly undiscovered country, radically transformed by the inevitable technological wonders to come, but the past retains its grasp on what we allow ourselves to imagine. Silicon Valley luminaries revel in the vernacular “big history” books of Yuval Noah Harari, while David Graeber and David Wengrow’s *The Dawn of Everything* offers a counterhistory of human institutions based less on reigning technologies than on devious, diverse ingenuity.<sup>3</sup> These works’ popularity reflect a struggle over which versions of the past will situate the options available to the future.

Where will people today turn for inspiration and justification as they concoct political arrangements for the centuries to come? The dominant political repertoire in many parts of the world has been defined either by or against Western democratic capitalism. This regime achieved a degree of wealth and stability, and its beneficiaries heralded it as the sole path by which societies might flourish. Yet, as capitalist democracies increasingly appear crippled by pressing crises, the limitations in that tiny sliver of the overall human experience with self-governance are becoming ever more evident.

To expand our historical imagination and our repertoires for the future, we propose what we call *governance archaeology*: a strategy for co-producing a global commons of collective governance practices that can inspire institutional learning and experimentation, particularly in the face of rapid technological change and vexing global crises.

It is necessary to take seriously the governance practices of older and past societies – especially non-Western ones – for empirical and moral reasons. As we learn more about the diversity of political arrangements around the world and through history, the usual West-centered view seems increasingly myopic. To create a more equitable and inclusive world, we need to design for a “pluriverse,” a world in which many social worlds can fit.<sup>4</sup> This task, however, is fraught with difficulties.

As Franklin’s appropriation of the Haudenosaunee Confederacy demonstrates, adapting the politics of others is no neutral activity. It comes with perils of co-optation, even cultural genocide. Governance archaeology needs to include the practice of *ancestry*, an ethic of relationship and codesign across many times and places, to cultivate what John S. Ahlquist and Margaret Levi call “an expanded community of fate.”<sup>5</sup> In governance archaeology, historical cases are not merely inert objects ripe for extraction. They are living artifacts, crafted by human practitioners who deserve the respect of being political ancestors. The governance archaeologist seeks to become a worthy descendant.



Governance archaeology is not an attempt to draw universalizing conclusions from a body of necessarily limited historical sources, or to derive a set of idealized institutional forms to implement today.<sup>6</sup> Instead, it aspires to expand the range of what is available in varied governance contexts by providing examples that go beyond today's dominant forms of representative democracy and their canonical early modern European and North American antecedents. Ultimately, it is up to communities of practice to evaluate which patterns and examples are useful for them to learn from. We believe that making a more moral political economy will depend in part on people across many contexts and networks, finding better ways to ensure just distributions of economic and political power. Our method seeks to serve that multiplicity.

In what follows, we share our preliminary experience with governance archaeology, which centers around developing a database of global, historical governance designs. We offer observations about how the data set can be used to move beyond conventional political categories. But the work of data collection has not occurred in academic isolation. The database emerged through our participation in efforts to develop software for facilitating the governance of online communities as part of the Metagovernance Project.<sup>7</sup> We also organized a six-month artist residency, *Excavations: Governance Archaeology for the Future of the Internet*, that culminated in an exhibition at the United Nations Internet Governance Forum.<sup>8</sup> Through these engagements, we have attempted to cultivate the ethic of relationship and codesign that we apply to the historical evidence. We offer what we have learned so far as a contribution to the task of discovering designs for the equitable, accountable institutions that are so urgently needed.

Our database catalogs examples, throughout human history and geography, of what we refer to as *collective governance*. Collective governance includes practices of power-sharing, participatory decision-making, and community-based rule enforcement among stakeholders. These are the rudiments for the kinds of accountable, democratic societies that can support moral political economies. We opt for this capacious framing to expand the scope of options far beyond the now-dominant model of representation by professional politicians or technocrats, legitimated by the sporadic participation of a broader subset of the governed.

The database is very much a work in progress. We began collecting data in the summer of 2021, and we have so far coded over one hundred discrete communities, about four hundred and fifty institutions, one hundred institutional mechanisms, and thirty cultural values. Table 1 provides some definitions and a snapshot of the database's main structure.<sup>9</sup> We intend the temporal and spatial range of the database to cover, potentially, the whole world from prehistory to today, although we have so far focused on a sample.

*Table 1*

Glossary of Terms for the Collective Governance Database

<b>Communities</b>	Units of governance and shared culture
<b>Institutions</b>	Specific institutional structures within a given community
<b>Mechanisms</b>	Within institutions, patterns of governance practice (for example, jury, council, voting)
<b>Culture</b>	Within communities, patterns of shared values and norms (for example, solidarity, ritual, supernatural belief)
<b>Time</b>	Situates the community in history
<b>Place</b>	Situates the community geographically
<b>Size</b>	Approximate number of members in the community at the specified time and place

Source: Basic fields in the authors' database. The database, developed in *Airtable*, can be viewed from the perspective of any of the fields on the left, displaying the relationships with all other fields.

Collective governance does not have to characterize whole societies for them to be included. Rather, we seek to unearth spaces of collective governance wherever and however they have historically appeared, no matter the scale or the level of jurisdiction. We also include forms of collective governance even when they are embedded in more hierarchical systems. The database thus considers decision-making and norm-enforcement mechanisms governing hunter-gatherer bands, as well as councils within empires. Our emphasis on hybridity challenges typologies of governance that have prevailed at least since the ancient Greeks: for example, the common tripartite scheme of democracy, oligarchy, and monarchy. This has empirical and theoretical benefits. Actual examples of collective governance are often intermingled with other kinds of structures, so finding them requires attention to such complexity. The intermingling of diverse institutions also raises instructive questions about how institutions for collective governance have coexisted with other institutions.

Compiling the database has led us to several early observations. The first, simply, is the sheer profusion of meaningful forms that collective governance has taken across human experience at various scales, and for many different purposes. Communities have used collective governance to check powerful kings, to govern localities, to distribute goods and services, and to define access to resources. In the Kuba Kingdom of Central Africa, collective governance developed only at the vil-

lage level. Beyond the unit of the village, nobles and kings were in charge. Meanwhile, the Italian maritime republics were able to check elite rule with the rise of council and assembly governance. In Gold Rush California, with the colonial government a continent away, miners collectively defined and enforced the rules that regulated access to their claims.

Further, while familiar typologies expect either strictly representative or participatory forms of collective governance to emerge based on the size of the community, we observe that collective governance can develop at many scales. It is in some sense always delegative, meaning that the participants in governance are a subset of the entire community. Sometimes that subset is broad, as when popular assemblies represent a polity, and sometimes it is narrow, as in most occurrences of council governance. Yet larger assemblies appear almost as often as smaller councils in our provisional data set. Sometimes delegation is representative, in that specific rules ensure that smaller and larger organizational bodies resemble each other. But sometimes representation simply means that a subset of the community is in charge. The subset may not reflect the composition nor the evolution of the larger community over time. Different rules governing representation may exist within the same community. For example, the Athenian assembly in the fifth and fourth century BCE operated on a first-come, first-served basis, and membership changed in each assembly (of which there were roughly forty per year). During the same period, the courts of law featured complex mechanisms aimed at crafting each jury panel as a microcosm of the whole eligible citizenry.

Finally, our data so far reveal enormous diversity – not just in the structure of communities or in the types of institutions, but also in institutional mechanisms. Similar mechanisms do recur, most notably the basic structures of assemblies, councils, and voting. But apparent similarities accompany enormous variation in the combinations of rules within an institution and in its linkages with the institutional network to which it belongs. For example, among the Tshiluba speakers of Kasai in Central Africa, a council of peers elected a chief (an extremely common governance mechanism), but the mandate was short and the elected chief “was expected to pay his peers a substantial sum” in exchange for his position.<sup>10</sup> By contrast, among the Wyandot (Huron) people of North America, clan members elected chiefs whose position was hereditary, but whose power was checked by other clan chiefs within the same village, as well as elders and others in the community through a village council.

These observations call into question widespread assumptions embedded in theories of governance: namely, the notions that large-scale and supposedly intrinsic aspects of human behavior – like self-interest, ignorance, or apathy – are fundamental obstacles to participatory and collective self-governance.<sup>11</sup> Such assumptions have long served to justify and legitimize autocracy, technocracy, and epistocracy. Our research so far suggests instead that meaningful forms of collec-

tive governance can emerge within complex representative and hierarchical institutional networks in many places, in many shapes, and at many scales.

The more cases we add to the database, the more pathways we see for building collective governance practices at the heart of a new moral political economy. At the same time, the database reveals the fallacy of conflating collective governance with good governance, a common misconception often associated with anarchist and libertarian scholarship, of which Graeber and Wengrow's *The Dawn of Everything* is but the latest instance. The emergence of collective governance, in the past as today, has often masked practices of subordination, outright subjection, and manipulation. The most obvious example is the disconnect between local self-governance and governance at the level of a larger governing unit (such as a confederacy, a state, or an empire), which could lead to significant imbalances of power. More generally, it is often very difficult to assess the real functions of structures like popular assemblies and elections, let alone the meaning of consent. Given the nature of the evidence, it would be ahistorical to assume function and purpose based on the label later ascribed to a practice. A database simply cannot substitute for detailed exploration of particular cases and, ultimately, accountability to whatever can be learned about the people who enacted them. Yet what we lose in terms of depth and understanding, we gain in terms of breadth and comparison of diverse structures.

The concerns do not end here. As we build and review the rows and columns of the database, we face the challenges inherent in the process of cataloging the experience of distant communities whose lives and fortunes were often violently elided. We are acutely aware of the danger of hypocrisy: our project risks grounding its claim of building a moral political economy on an act of epistemic appropriation, not so different from that of the "Founding Fathers" of the United States. Similarly, the material archaeology of dirt, artifacts, and monuments has most often proceeded through the extension of colonial might. Only more recently have archaeologists begun organizing their work with the intention of dismantling colonial relations.<sup>12</sup> In that spirit, we develop an orientation of ancestry, which is aimed at cultivating relationships of accountability and responsibility to the legacies we learn from.

**A**ncestry is not a model or a formula. It is a response to an encounter. It is not a claim of equivalence to ancestry by blood or adoption: the encounter forges its own kind of ties. Ancestry – becoming and being descendants – involves learning to acknowledge, respect, critique, and make accessible a wider range of human political experience as a means of challenging present structures of domination. In practice, this depends on context: it might require accountability to the living inheritors of a source tradition, or embracing a certain practice so as to resist its earlier suppression by colonizers. Reparations may be

owed. Where possible, that accountability should come with clear, even binding commitments.<sup>13</sup> It will surely mean consciously rejecting parts of the same legacies we learn from.

While developing the database, we organized an artist residency on governance archaeology to explore the possibilities and limits of our approach, as well as to ground the interaction between the research itself and today's governance crises. The artists repeatedly reminded us to consider our archaeology not merely as data collection but as an exercise in relationship. We owe the orientation of ancestry to their example.

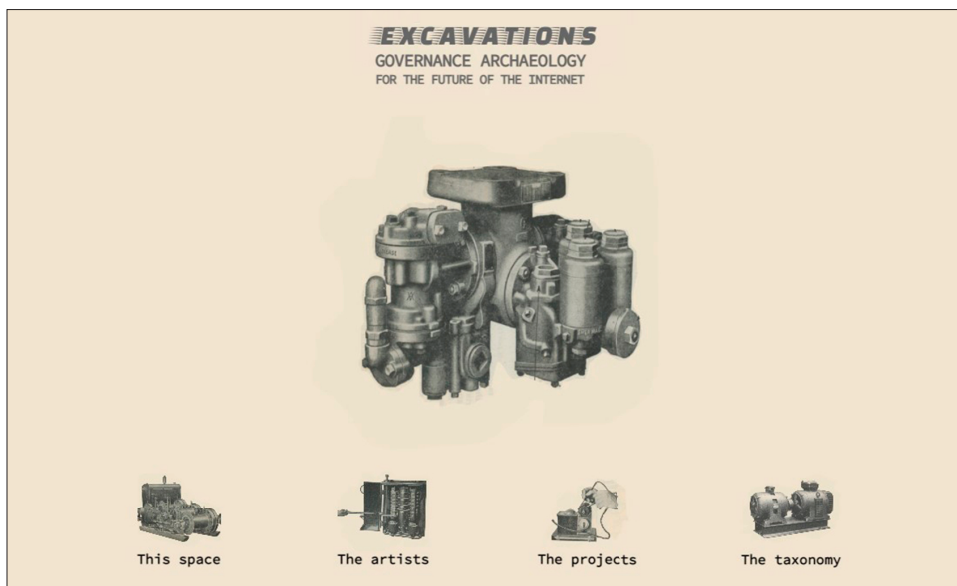
Our discussion of the contested relationship between early U.S. institutions and the Haudenosaunee Confederacy that preceded them came from a story referred to by one of the residents, Amelia Winger-Bearskin, who is herself Haudenosaunee of the Seneca-Cayuga Nation of Oklahoma, Deer Clan.<sup>14</sup> She pointed out how colonial institutions mimicked colonized ones sporadically and violently, adapting confederalism but stripping away, for instance, the matrilineal power flows in the Haudenosaunee order.<sup>15</sup> The new United States was organized not to build upon but to conquer the earlier order on the same land. As settler wagon trains kept rolling into already inhabited lands, some White U.S. settlers experienced the imagined voices of deceased Native people in Spiritualist séances.<sup>16</sup> We do not aspire to the limited moral reckoning and melancholic backward glance of the séance encounter. Governance archaeology, rather, seeks to challenge present hegemony through encounters with ancestral political practices outside the canonical narratives and taxonomies.

Our residents' engagement with such ancestral practices ranged far and wide. Works that appear in our online exhibition, *Excavations: Governance Archaeology for the Future of the Internet*, are tagged with mechanisms from the database (see Figure 1).<sup>17</sup> Winger-Bearskin proposes a chat bot that expands on aspirations of reclaiming Indigenous land to "Honor Native Sky," recognizing the sky, also, as a space of Indigeneity and colonization, and, increasingly, the basis of network infrastructure.<sup>18</sup> In *Public Audio*, Mateus Guzzo revives the spirit of deposed Chilean president Salvador Allende's vision of a socialist computer system, CyberSyn, to imagine a "hypothetical simulation model of the Brazilian public sphere" against the authoritarian-enabling infosphere now dominated by Meta-owned platforms.<sup>19</sup> Şerife Wong and Eryk Salvaggio envision a "Situationist Blockchain," introducing the ideas of pre-internet French radicals into a design of self-negating cryptographic systems that would constitute "an endless parody of economics."<sup>20</sup> Through encounters with distant and not-so-distant predecessors, these artists revive aspirations that were violently truncated, making present once again the repressed in the service of renewed resistance.

The orientation of ancestry encapsulates three related aspirations: to better acknowledge marginalized cultures for their expertise with collective governance,

Figure 1

Homepage for the Excavations Artists' Residency Website



Source : *Excavations : Governance Archaeology for the Future of the Internet* homepage at <https://excavations.digital>.

to establish forms of relationality with the communities we study, and to decenter the dominant assumptions of the present (or the very recent past) as the only horizons for the design of future political systems. Relatedly, ancestry aids governance archaeologists in looking beyond abstract mechanisms and structures to the norms and culture that bring political systems to life. When we understand our research as a relationship with real people, past and present, it becomes harder to ignore how culture and norms are essential for the functioning of institutions.

Integrating a sense of ancestry equips governance archaeology to unsettle and dismantle the colonial narratives that present a linear, ascending sequence from the primitive to the modern. As sociologist and legal scholar Boaventura de Sousa Santos insists, a radical “ecology of knowledges” requires that the dominant epistemology be decentered as the canonical point of reference so that “the kind of knowledge that guarantees more participation to the social groups involved in the conception, execution, control, and fruition of the intervention must be privileged.”<sup>21</sup> Recognizing that familiar narratives were always profoundly incom-



plete is like discovering a matrilineal line suppressed by patriarchal last names and storytelling. Being a descendant means being indebted. In work like creating art or crafting political institutions, that involves recognizing ancestors as active participants while decentering the loud but incomplete narratives that have obscured them.

Ancestry implies that knowledge arises through relationship, not abstraction. This means, wherever possible, that governance archaeologists should enter into reciprocal relations with living culture-holders of legacies they seek to learn with, reversing asymmetries and acknowledging lineages. Learning from a particular lineage must not be premised on a fleeting and extractive point of contact, but on an ongoing process that is open to unexpected challenges and emergent insights. As sociologist Ronaldo Vázquez writes in a summary of decolonial practice, “The role of the ancestors is not a passive or a conservative one, but rather an active source of meaning.”<sup>22</sup>

**T**he forms that relationality will take in our research remain an open question for us. Many of the communities that populate the database so far belong to the distant past, and while we might ask permission to learn from them, we cannot expect a response. In other cases, however, there are living practitioners who should have the right to participate in and cogovern the data of their ancestors. Practitioners from far-flung traditions might find new commonalities through what a database like ours reveals, and form relationships on the basis of those similarities. A governance archaeology database will in some sense have to become not just a collection of information but a network of relationships.

More than any static model or eternal truth, we hope to find a living past: in the words of sociolinguist Catherine Walsh, “a past capable of renovating the future.”<sup>23</sup> Governance archaeology is an insistence that past struggles for a moral politics and economy can find new life in our study and our practice.

Even before the artist residency, our interest in governance archaeology was a response to the demands of the present. The initial motivation for developing the database emerged through our collaborations in the Metagovernance Project, a researcher and practitioner collective focused on the design of online governance technologies. One of these technologies is CommunityRule, a web interface for authoring and publishing basic governance processes, developed in partnership with users such as mutual-aid groups and open-source developers.<sup>24</sup> Among those communities, we observed the need for a much wider range of options than what tends to be found among familiar civil society organizations and sample bylaws, particularly in the face of challenges like virtual collaboration and systemic racism. One of our ambitions with governance archaeology is to better serve diverse institutional forms: to ensure that the library of options available on tools such as CommunityRule reflects diverse political traditions, enabling users to draw from and build on

culturally relevant legacies. Without a governance archaeology approach, these tools might too easily fall into practices driven by unconscious assumptions based on the narrow experience of the developers. Yet the very act of software development always involves choices and assumptions. The posture of ancestry recognizes this as a way of consciously guiding the choices designers make.

We have presented the strategy of governance archaeology through our experience with building a database of collective governance practices. We hope to help confront what we perceive as a widespread crisis in democratic governance. Just as thinkers during the European Enlightenment did, we find ourselves turning to history in order to think through the urgency of now. But we depart from the eighteenth-century European by embedding our research efforts in a commitment to cultivate relationships of accountability and responsibility to the legacies we learn from, a commitment we think of as ancestry. To practice ancestry is to recognize that crafting a moral political economy will require not merely different institutional arrangements but living networks of relationship and accountability.

Institutions such as governments, corporations, and nongovernmental organizations have experienced strong pressure for homogeneity, particularly since World War II and the rise of “globalization” agreements seeking to standardize international trade. Such homogeneity facilitates capital flows across borders, but it has failed to provide governance that addresses the most dangerous outgrowths of those flows, such as wealth inequality and climate change. We turn to governance archaeology to broaden the institutional repertoire.

We have begun exploring this approach in the contexts of historical research, artistic practice, and software development. But the potential applications are much more expansive. In recent years, for instance, lottery-based citizen assemblies have been used to formulate climate policy, resembling a practice that was widespread in the ancient Athenian democracy and other less-known settings. Similar assemblies could be applied to govern other complex systems, such as digital algorithms.<sup>25</sup> Lottery-based assemblies can defuse polarization by creating space for careful study of contentious issues outside the pressures of partisan politics. Meanwhile, as the leverage of labor unions declines in many parts of the world, precarious workers might learn from older governance models like the medieval Muslim *halawa* financial system or European guilds, which were fundamentally networked and transnational. Designers of new blockchain-based systems, also, face a wide range of governance challenges that appear novel compared with those of existing governments and corporations. But blockchain developers might learn, for instance, from the many uses of cowrie shells in the pre-modern world, such as their use as money from Africa to China, or their role in establishing wampum contracts among Native Americans.<sup>26</sup>

Such adaptations should seek to embody ancestry, not further erasure. When we adapt, we can tell and retell the stories of where these ideas came from. We

can seek out relationships with, and learn from, a tradition's living descendants. While adopting a tradition that has been buried or silenced, we should set out to dismantle any forms of domination that have been part of that silencing.

In another time, the patient labor of assembling a database of historical governance practices might seem merely interesting or amusing. Today it strikes us as urgent. The future of democratic politics, economics, and civic life depends on expanding the repertoire of options, learning, wherever possible, from foregoing human experience and sharing it as a common inheritance. Yet the learning cannot be carried out as some previous generations have, through selective appropriation, colonization, and erasure visited on the very cultures providing inspiration. Governance archaeology is a craft and a call: to expand the wealth of political repertoires, but also, at the same time, to repair and tend to our relationships with the political ancestors whose lessons we need more than ever.

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#### AUTHORS' NOTE

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- <sup>7</sup> The website for the Metagovernance Project is <http://metagov.org>.
- <sup>8</sup> We are grateful for the collaboration of curator Darija Medić and the opportunity to learn from the residents: Barabar (Bhawna Parmar and Rubina Singh), Mateus Guzzo, Caroline Sinders, Şerife Wong, Eryk Salvaggio, Ioanna Thymianidis, Mara Karagianni, Plot Twisters (Cat Chang and Jenny Liu Zhang), Mallory Knodel, Lotte de Jong, Antonia Hernández, and Amelia Winger-Bearskin. The exhibition is online at <https://excavations.digital>.
- <sup>9</sup> Thanks to grants from the Eutopia Foundation and the British Academy, we were able to benefit from the contributions of three student research assistants from King's College London: Jonas Nepozitek, Elizaveta Sharabok, and Fabio Carolla.
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# Taking Responsibility for Tomorrow: Remaking Collective Governance as Political Ancestors

*Lily L. Tsai*

*In learning from older and past collective governance practices, we must design new institutions with an ethos that underscores our roles not only as descendants from past innovators but also as ancestors who have a responsibility to provide such legacies for the future. Governance archaeology can only realize its full moral and generative potential when it is practiced in a way that acknowledges our responsibility to future humans as well as past ones. This essay thus argues for the need to include future humans in the “we” of collective governance for distributive equity as well as procedural justice.*

**W**e are in the process of failing to learn from history and to connect across time. As we wring our hands about the collapse of our institutions and the fraying of our social fabric, rather than putting our finest minds to work on analyzing the repertoire of ideas and practices that societies have crafted over centuries so that we may rejuvenate the ways in which we understand and organize ourselves, we instead steer our undergraduates toward “practical” majors. The Department of the Interior no longer has enough archaeologists to carry out its statutory responsibilities for stewarding the cultural resources contained in the lands they manage.<sup>1</sup> Doctorates awarded in history declined 15 percent in the five years between 2014 and 2019, a trend, which if linear, would entail the disappearance of history as a discipline in the next few decades.<sup>2</sup>

To arrest this collective atrophy, Federica Carugati and Nathan Schneider propose a new way of learning from the past, designed intentionally to support innovation for the future.<sup>3</sup> And to their credit, they have done far more than simply propose. Beyond these pages, Carugati and Schneider have spent several years creating a functioning prototype to embody and test their approach of *governance archaeology* in action. This prototype includes not only a database of collective governance practices but also a community and a process: a residency of innovators who interact with practices from the past to develop new and recombinant ideas while cultivating relationships of accountability to our political ancestors.



Carugati and Schneider's emphasis on this ethos of ancestry, the acknowledgment of debt and responsibility that present humans have to past humans, paves the way for us to consider our relationship to future humans as well. As we seek to renew our institutions and practices for collective governance, the question I raise here is how should we include future humans in the "we" of the collective? Our tendency is to focus on the distributive justice of resource allocation across groups right now in the present. But, as the economist Robert Solow has reminded us, we have "an obligation to conduct ourselves so that we leave to the future the option or the capacity to be as well off as we are." We cannot "satisfy ourselves by impoverishing our successors."<sup>4</sup>

But just as we care less than ever about the past, we literally discount the future. At the institutional level, governments apply a discount rate to calculate the benefits and costs of different policy options that take place over time. We use this rate to adjust for resources that we think are more valuable today than in the future because we either prefer to consume them today rather than wait, or because we could be earning a positive return on invested resources. What this means is that we make decisions primarily on what we as present humans find more valuable, something that discomfits even our politicians and bureaucrats. As guidance to federal agencies under the Obama administration noted, "Special ethical considerations arise when comparing benefits and costs across generations. Although most people demonstrate time preference in their own consumption behavior, it may not be appropriate for society to demonstrate a similar preference when deciding between the well-being of current and future generations."<sup>5</sup>

For many, a sense of the future is eroding at the individual level as well. When we are optimistic about what the future looks like, it is easier to value it more highly. But even before the COVID-19 pandemic, a 2015 Pew survey found that fewer than half of Americans expressed "quite a lot" of confidence in the future of the United States, substantially lower than in the 1970s.<sup>6</sup> Increasingly, people are tired of moving fast and breaking things, of fetishizing disruption and novelty, of devaluing the incremental creation of long-term value.<sup>7</sup> In our everyday lives, on top of global crises and social dislocations, the ephemerality of content and communication through social media – where interactions exist for a moment and then are gone – reinforces a feeling that things are fleeting. When we do not know what we can count on in a year, to say nothing of what things might look like in twenty years, how do we ask people to sacrifice even more of what they have in the present for an uncertain future?

Here, I argue, Carugati and Schneider's governance archaeology stands to play an important role in cataloging and characterizing examples of societies that have answered this question. Can we expand their approach so that it also includes data on when communities have created institutions that allocate resources to future humans? Can their database include whether communities with collective gov-

ernance have defined the collective to include future humans, or given future humans a representative voice in decision-making about the community's resources? Such data can help us understand how to design collective governance that upholds distributive justice across *time* – justice in terms of whom the governance is *for* – and whether to do so by creating a kind of procedural justice representing multiple generations – justice in terms of whom the governance is *by*.

**T**here is evidence that people can do and have done better at creating practices and institutions that consider future humans as part of the collective they govern. We have examples that exist now, which can help us understand the political processes that lead to solutions. Norway's Petroleum Fund invests significant parts of its North Sea oil rents explicitly for future generations.<sup>8</sup> In Wales, the 2015 Well-Being of Future Generations Act established a Future Generations Commissioner.<sup>9</sup> While not as powerful as the fictional Ministry of the Future imagined by Kim Stanley Robinson, this office is charged with monitoring and assessing government agencies on whether they are compromising the ability of future generations to meet their needs.<sup>10</sup> The political philosopher Dennis Thompson has proposed a system of “democratic trusteeship” with mechanisms such as posterity impact statements that governments would be required to issue to justify any adverse effects their actions might have on the democratic capacities of future citizens.<sup>11</sup>

But these ideas are only realized when present people actually care about future people. How have societies built a regard for and a relationship between present and future people? Some societies, interestingly, seem to have done so through language, with research showing that speakers of languages in which there is little distinction between present and future verb tenses show behaviors with lower discount rates for the future. Compared with speakers of languages with a clear difference between present and future tenses, they are more likely to save for retirement and less likely to smoke. Countries where the majority of the residents speak languages such as Finnish, Japanese, and German save on average 6 percent more of their GDP per year.<sup>12</sup>

In collecting data on the mechanisms and culture of collective governance, we need to expand Carugati and Schneider's conception of governance archaeology to include the practices humans have used to inculcate emotional connections to future humans as part of the collective that they govern. What narratives and norms lead farmers in the *dehesa* system of southwestern Spain to plant oaks that will never produce an acorn in their lifetime?<sup>13</sup> “Cultural services,” a team of environmental scientists concludes, “are the key ecosystem services of *dehesas*.”<sup>14</sup> Reflecting on the Canterbury Cathedral, 365 years in the making, sociologist Robert Scott notes that “the long time required to build Gothic cathedrals added to the depth of the collective identity they engendered. It almost seemed to serve

their purpose that they should not be completed too quickly.”<sup>15</sup> Cathedrals built communities, Scott argues, not the other way around. Lineage and temple organizations in southern China oversee, on one hand, public works such as irrigation infrastructure and road construction that are built over generations and, on the other hand, rituals to reinforce communal obligations to ancestors and descendants. It is not clear which activities serve which. There is often a temptation to view these organizations as primarily religious and traditional. But some villages that never had them in the past invented them anew in the 1990s and 2000s in order to develop institutions for maintaining infrastructure that requires investment over multiple generations, manifesting a kind of layperson’s governance archaeology.<sup>16</sup> Can we bring this spirit of invention to our own contexts?

It may be that caring for a physical place – managing its common pool resources or maintaining infrastructure built over multiple generations – enables people to feel a part of something bigger than themselves or their immediate group, bigger not across space but across time, and motivates them to design the cultural traditions and governance institutions that sustain this feeling. Indeed, the global commons of collective governance practices envisioned by Carugati and Schneider could itself become one of these infrastructures or common resources that fosters in us a sense of community spanning time as well as space as we maintain and contribute to it. Behavioral scientist Trisha Shrum has also experimented with ways of encouraging people to see themselves as caretakers for future generations. Her nonprofit, *Dear Tomorrow*, enables people to send a letter to someone important in 2050 – a child, say, or their future self – about the actions they have taken today to make the world safer and healthier. For those who believe climate change will negatively impact their children, Shrum finds writing a letter to the future increases donations for climate change mitigation by 22 percent compared with those in a control group who hold the same beliefs.<sup>17</sup>

The danger of exploiting the cultures providing inspiration for governance innovators today is among the thorniest of challenges with which Carugati and Schneider wrestle. What does it mean for us to benefit fairly from the work of past humans? Carugati and Schneider advocate for recognizing our indebtedness to these political ancestors, for acknowledging their labor and the value of their work to ourselves, as well as to their direct descendants. This is certainly part of the answer. We should indeed seek to avoid cultural appropriation by cultivating relationships of accountability to the legacies from which we learn.

But we can do more than that. We can also cultivate relationships of responsibility to our own descendants. We can strive to be worthy of their indebtedness to us. If ancestors, as Carugati and Schneider note, should be an “active source of meaning,” we must make ourselves such sources of meaning for people in the future looking back at us and our institutional artifacts.<sup>18</sup> Upholding a norm of reciprocity allows us to respond in kind and avoid exploiting past humans for our

own personal gain. We cannot give back directly to our ancestors, but we can contribute to a system of generalized reciprocity by investing in innovations, practices, and physical and social infrastructure that enrich not only ourselves but our descendants.

**C**arugati and Schneider are right that we need our political ancestors more than ever. But we must also recognize that we have more of an obligation than ever to provide for our descendants. Unless we use the legacies from the past to create wealth, health, and justice for the future, we squander our inheritance and reproduce the problem of privilege. Only by acknowledging our responsibility to future humans as well as past ones can governance archaeology fully realize its moral and generative potential.

Unlike other animals, humans have the ability to imagine the future, to “pre-experience” it “by simulating it in our minds.”<sup>19</sup> Innovation for collective governance in which the “we” spans across time as well as space requires policy and political will, as well as processes of imagination. Speculative fiction, as Ursula K. Le Guin observes, enables us to see that, “It doesn’t have to be the way it is.”<sup>20</sup> Governance archaeology can show us that there have been, and therefore can be, different ways not only of how we govern ourselves but of defining who “we” are.

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#### AUTHOR’S NOTE

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# In Search of Ontologies of Entanglement

*Ann Pendleton-Jullian & John Seely Brown*

*We live in a world of entanglement, not enlightenment. We discuss why the two are not collapsible. Then, in search of concepts, methods, and sources for a frame of entanglement, we look at how an ontological turn in the social sciences helps us see the relationship between worldviews, values, and the complex practices of how societies enact their worlds, with an eye to those worldviews that assume, live, and enact entanglement. Finally, we offer some thoughts on moving beyond theory to action. Stimulated by the critical themes in Federica Carugati and Nathan Schneider's essay, and believing that "it matters what concepts we use to think concepts with," we interrogate and expand on their themes to widen the conceptual aperture around the call for remaking our systems of governance.<sup>1</sup>*

The goal of this issue of *Dædalus* is "to highlight some important ideas about how to create a better world."<sup>2</sup> In their introduction, Margaret Levi and Zachary Ugolnik discuss how political economic frameworks change over time in response to technological, political, economic, demographic, and ideological transformations, and that, given the state of the world, the "collective task is the establishment of a political economic framework that (will) ensure the flourishing of all."<sup>3</sup> But much more is at stake than changing the predominant economic model (neoliberal capitalism), the political economic framework that couples it to society and social systems, and the set of cultural traits that have arisen from this framework. Nor are our present challenges addressable through high-level policy reform. We face a multipronged planetary crisis that requires a more expansive set of approaches.

In an era of entangled, multidimensional, multiscalar, everything-is-connected, planetary problems, our Enlightenment (and post-Enlightenment) worldview is not good enough. We need a different mental frame to see, think, and act.

Several big concepts have been offered as mental frames for the present era: post-Enlightenment, Anthropocene, Capitalocene, and cultural theorist Donna Haraway's Chthulucene.<sup>4</sup> The first three retain the humancentric bias from the Enlightenment's legacy, as well as the corollary assumption that human reasoning, supported on the pillar of science, can "solve" any problem, including our current predicament. All we need is the will. Science and technology can rise to any challenge.

This kind of thinking relies on an approach to knowledge construction and management methodologies that separate “the uninterrupted flow of all that exists into supposedly self-contained spheres such as ‘the economy,’ ‘society,’ ‘politics,’ ‘culture,’ and ‘the individual’ each with a science devoted to extracting its secrets (economics, sociology, political science, anthropology, psychology).”<sup>5</sup> A scientific mindsight that carves nature at its joints has gotten us into our current messes. It will not get us out of them.

In 1964, Martin Luther King, Jr. saw the web of interconnectedness within and between societies: “We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly affects all directly.”<sup>6</sup>

Today, we understand a much broader web of entanglements. “Entanglement is the baseline, not the exception.”<sup>7</sup> And entanglement thrives on diversity. The concept of entanglement provides a window through which to *re-see* the world. The science, concepts, and methodologies it engenders change the game.

If we recognize the productive window of entanglement not as metaphor, but with its own science and coherent system of ideas, then progress to create a better world will depend not on thinking single frameworks or institutions, but on networks and systems (like systems of governance), interwoven, interdependent, and nesting within other networks and systems (like systems of values, meaning, and identity). These are complex, adapting, living systems that emerge from and are governed by ontologies.

**W**hat do we mean when we speak of *ontologies*, and why is this useful? In philosophy, ontology refers to a branch of the field that studies concepts around existence, being, becoming, and reality. It is commonly referred to as the science of being.

In the 1940s and 1950s, ontological anthropology emerged from the confines of philosophy with the work of Claude Lévi-Strauss.<sup>8</sup> *Ontological anthropology* refers to the study of human societies and cultures in relationship to the metaphysical systems that situate them in the world. These metaphysical systems are known as ontologies and are unique to specific societies and cultures. Cultural ontologies are formed around specific worldviews that frame/describe/convey a primary relationship of meaning with the world. From this worldview, values, behaviors, and social systems – the whole complexity of what a group of people do together – emerge. Ontologies enact worlds.

The current ecological crisis has created an interest in other kinds of relationships to the environment (other than what globalization has produced). Confronted with the infinite entanglement of human and nonhuman worlds, an ontological turn has developed in many of the social sciences and has opened two new avenues: one of study and one of action (enaction). This section deals with the former. The next section will look at the latter.

As an intellectual space for studying political systems in relationship to concepts of being, political ontology was originally defined in narrow terms that focused on “political being, what is politically, what exists politically, and the units that comprise political reality.”<sup>9</sup> We are more interested in the recent expansion of this space by an emerging intellectual niche that allies itself with the study of development in non-Eurocentric Indigenous communities: “the great ancestral civilizations and the teachings of many spiritual and cultural traditions whose [ways of viewing the world] have been determined more by radical interdependence than by ontologies of separation.”<sup>10</sup>

In this vein, political ontology provides a conceptual space for studying the relationships between different worlds based upon different metaphysical or cosmogenic systems – different ontologies – especially those that do not subscribe to the Enlightenment’s one-world vision, and even more important, those that have been *enacting* worlds based upon ontologies of entanglement. These are dense nets of interrelationships engaged in physical, social (political, economic, cultural), and mental (conceptual, psychological, emotional) exchanges. In these ontologies, “*nothing preexists the relations that constitute it.*”<sup>11</sup>

We are interested in this vein of research and its concepts for three reasons. First, because it focuses on ontologies of entanglement. Second, because these ontologies are inextricably linked to the environment, all biological species, and even meaning associated with nonbiological entities, they enable us to see why environmental conflicts are often at the same time ontological conflicts. Finally, in contrast with the one-world view, this approach relies on the concept of multiples: multiple ways of engaging with the world based upon different cosmogenic (origin) stories and belief systems affecting everything. As a space for studying the relationships between worlds, it is about worlds – plural – resisting the tendency to represent the world as if it were only one.

In search of ontologies of entanglement, we need to consider at least four epistemic spaces. One is where Federica Carugati and Nathan Schneider start: what we can learn from *certain* governance practices of Euro-American history.<sup>12</sup> A second, which they also draw from, is the non-Eurocentric Indigenous communities referenced above. These are living cultures finding ways to adapt to both natural and sociopolitical changes around them. Novel social forms and systems often emerge from bridging and blending. We must follow that lead.

A third epistemic space is found in Eastern practices, especially Buddhism, which is also nondualistic and sees the individual-world relationship as unified.

Finally, while these other epistemic-world spaces have very important roles to play as sources, so does a transformed metafield of science arising from cybernetics and the intersection of the theoretical fields of living systems and complexity science. Complex adaptive systems exhibit self-organization, emergence, and autocatalytic loops.<sup>13</sup> We are especially interested in this space because it offers

concepts and tools that do not rely on one having lived experiences in the often tacit epistemological spaces referenced above, and it provides explicit (and evolving) theories and science about how complex adaptive systems work. Societies and their worlds *are* complex adaptive systems.

What the latter three epistemic spaces hold in common is a rejection of the subject-object partitioning and all the dualisms that cascade from seeing the human species as separate from the rest of the world, despite the world having painfully proved our entanglement. These epistemic spaces support thinking through entanglement and ontologies of entanglement as opposed to ontologies of separation.

**T**he enacting of worlds through concrete practices can be described as *worlding*. As a verb, it refers to the making of all aspects of a particular world by joining ontologies to action-in-the-world in a recursive relationship. Active engagement with the full spectrum of human activities that constitute the human condition from domestic to civic. Systems of governance are one critically important structural domain of worlding.

In the current Euro-American “world,” enactment is heavily weighted toward top-down laws, policies, and institutional design. Steering change in the cumbersome container- and luxury-ships of our societies is slow. In a world of rapid change and rapidly emerging, highly connected, multipronged crises, this orientation has diminishing effectiveness.

Our contemporary crisis can be seen as that of a particular civilizational model constructed from Western capitalist modernity. Along with so many contributors to this issue of *Dædalus*, we believe we need a new model. And resisting the modernist tendency to represent the world as if it were only one, we need multiple models, mutually entangled and co-constituting. Multiple models allow us to honor ontological diversity *and* produce wisdom through a diverse ensemble of epistemological frames. Different models accentuate different ontologies and the causal forces that enact worlds. Insights from interweavings scaffold innovation.<sup>14</sup>

Social psychologist Jonathan Haidt uses the metaphor of the fall of the Tower of Babel to convey the exponentially accelerated fracturing of the United States, and to explore why pluralism is so hard for democracies to achieve, especially a country as large and increasingly diverse as the United States.<sup>15</sup> If ontologies, with their worldviews and value systems, underlie the worlds they enact, then diverse ontologies, diverse worldviews – world stories – cannot be ignored. Nor will these ontologies just go away because we want them gone. Even an effective meta-story will be assimilated into other world stories and uniquely translated by different ontologies.

Fracturing is a problem of splitting and diverging ontologies. Multiple models, coexisting and interdependent in an alliance in which they need each other in their diversity, will be more productive than thinking only in top-down one-world

models. Can we imagine a metanarrative for the United States that both speaks to, even affirms, our heterogenous ontologies *and* creates an imaginary for being together in our heterogeneity? And, more important, can we imagine designing a complex, open, and adaptable model for multiple worlds coming together, one in which governance, of course, plays a major role?

Learning from societies whose worlds derive from ontologies of entanglement is of immeasurable value to designing new models for the future in a world where entanglement is both a cause of and affordance for our planetary crises. This is a future-forward speculative form of worlding, intended to help us imagine other possible worlds and realities. The worldings we have talked about relative to diverse existing ontologies are active practices, ongoing day by day. They are often predominantly tacit. Future-forward speculative worlding – *worldbuilding* – is about imagining, designing, and then enacting an entire world with all its complex and entangled systems.<sup>16</sup>

**S**uccessfully making new futures-as-models requires coupling ontologies, including speculative ontologies, to concrete mechanisms and actions that enable new practices, set new things in motion, and steer existing systems on revised courses. For efficacy, these cannot be single interventions or policies. They must instead be ecologies of mechanisms, actions, and practices (including but not limited to governance practices) that work and allow us to learn together. This requires a new mindset and a new and expanded practice of design and enactment.

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*Unbound: Designing for Emergence in a White Water World* (with Ann Pendleton-Jullian, 2018), *The Social Life of Information* (with Paul Duguid, 2000, rev. 2017), *New Culture of Learning: Cultivating the Imagination for a World of Constant Change* (with Douglas Thomas, 2011), and *The Power of Pull: How Small Moves, Smartly Made, Can Set Big Things in Motion* (with John Hagel III and Lang Davison, 2010).

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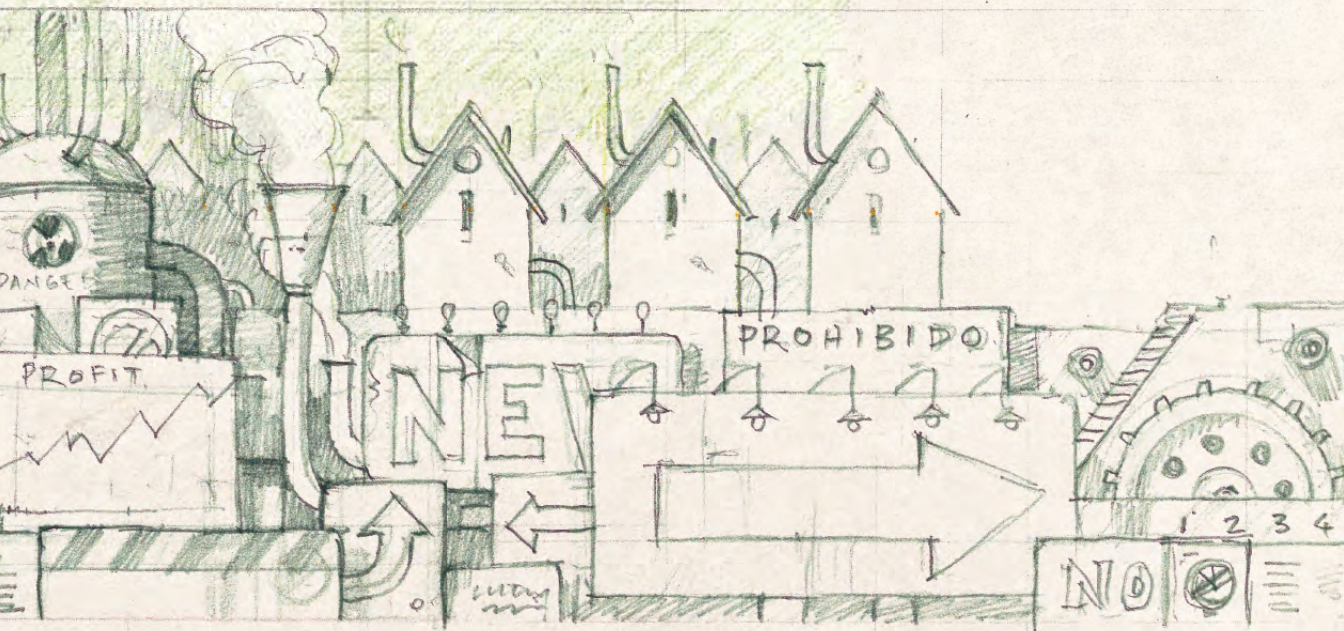
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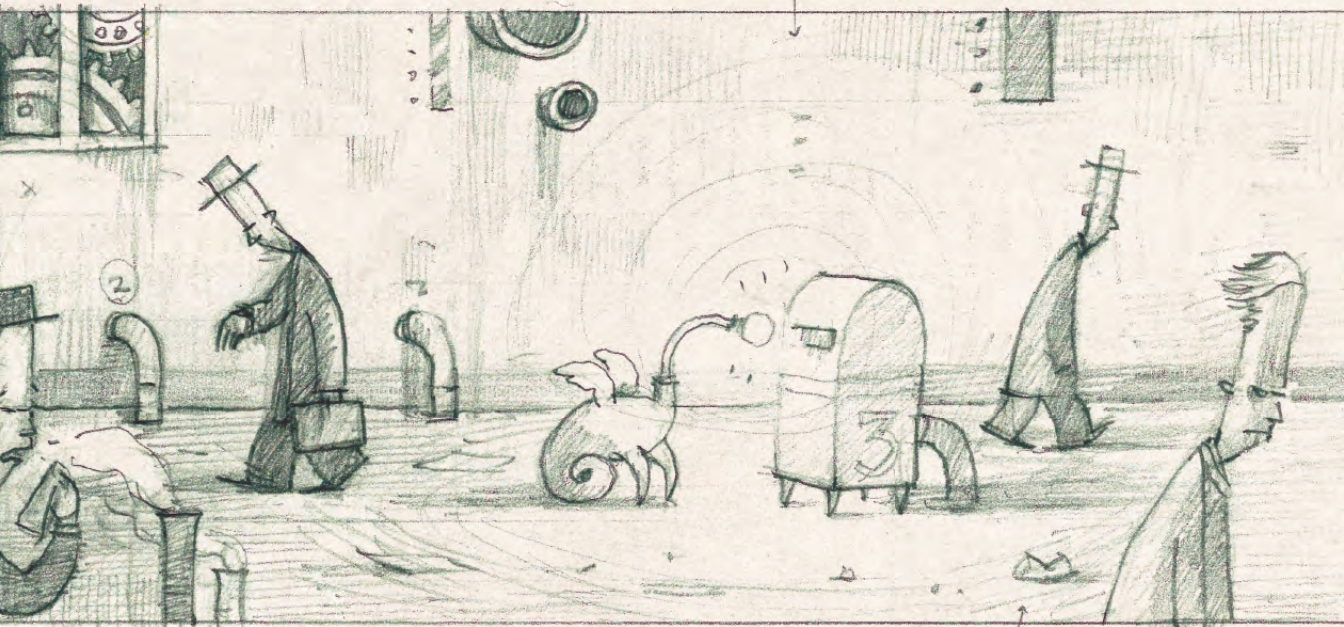
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*Inside back cover*: Shaun Tan, *Tram Window Landscape* (2008), storyboard for the animated short film *The Lost Thing* (2010). Pencil on paper, 29.7 x 21 cm. The film is an adaptation of Tan's book *The Lost Thing*, published in 2000 by Lothian Children's Books. Film © 2010 by Passion Pictures Australia and Screen Australia. Storyboard © 2008 by Shaun Tan.



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