

The Impossibility of Politics

and how to make politics possible

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Politicians are not dumber than other human beings. They are no more wicked or greedier, no more mendacious. Of course among them there are stupid people, evil people, greedy people, and liars. But everywhere there are. Everywhere there are also intelligent, benevolent, generous and honest people. I suggest that what most distinguishes politicians from the practitioners of other trades and professions is not the presence or absence of any mental or moral quality but rather the fact that they attempt to achieve objectives that in the age in which we live cannot be achieved. Politicians might be joined in the category of practitioners of the impossible by medical doctors if it were imagined that the task of medicine is to prevent death. But medicine does not in fact seek immortality for its patients, but only to achieve for them a healthy life during the years prior to the inevitable fatal outcome of every human life. Politicians, in contrast, seek to govern. Governing is impossible. The thesis that politics today is impossible (or stated a bit less briefly, that the goals that politics sets out to achieve are

unattainable) is so far more a provocation than a hypothesis. To make it into a meaningful claim I have to assign meanings to the word "politics" and to the word "impossible." Only when there is some conceptual clarity concerning what my thesis affirms and what it denies will it be time to give reasons for believing it or not believing it.

I begin with the word "politics". The English language does not allow me to assign any meaning to that word that I may fancy, but neither does it limit me to only one option. There is a vast literature on politics and political science. Although most of it I have not read, I have read enough to know that there are many definitions of politics. Many revolve around something called "power". The definitions never stand alone. They are always embedded in theoretical contexts, in historical contexts, in their authors' *Sitzen im Leben*, in academic *Methodenstreiten* and/or in the *Weltanschauungen* prevailing at particular times and places. Without knowing these contexts one cannot appreciate the true dimensions of the thoughts summarized in a short definition.

Faced with a situation that does not give me either full freedom or a single command, my choice is to distill a definition of politics from two founding works of traditions that have given meaning to the English word "politics" and to its counterparts in other Western

languages. They are *Politeia* by Plato and *Politiká* by Aristotle. Although the Greek words that are the titles of the two books are slightly different, they reveal that they deal with the same issues and that both are ancestors of the current word "politics." The practice of assigning to English translations of Plato's *Politeia* the title "The Republic" and only to the *Politiká* of Aristotle the title "Politics" conceals similarities that the original Greek titles disclose.

I do not claim that my option to distill a definition of "political" from two founding texts of Western thought is the only permissible option. I maintain only that this option is within the range of permissible options. Then I will derive from texts of Jürgen Habermas, Michel Foucault and others grounds for assigning a specific meaning to the word "impossible."

Roots of the concept of politics (Part One): Plato

I will call attention to a few key points in Plato's *Politeia*. I highly recommend reading the entire work. I trust that a full reading will confirm the conclusions that I draw from my selections.

Plato's *Politeia* is divided into ten books, each a dialogue with various speakers. The first book already introduces typical themes of the philosophy of its author. What most needs to be investigated is

justice (dikaiosyne) i.e. rules. In a first approximation justice is defined as "pay what you owe". Socrates, Plato's spokesperson poses a question: Put the case that you loan a friend a knife. Then the friend goes crazy and becomes dangerous. He demands what you owe him, the return of the knife. Should you return it? Of course not.

Thus another typical theme of Plato is introduced: Adjusting moral standards to the infinitely varied circumstances of human life requires necessary conversations, endless conversations, without unquestionable premises. The authority of those conversations is not located in any person, but in the logic of the arguments (the logos).

Still another typical platonic theme introduced in the first book is that each trade has a social function. The pilot, for example, serves to guide the ship safely to port. The authority of the pilot, as the authority of the doctor, derives from his special knowledge (episteme). Every special knowledge serves a good (agathon): in the case of the pilot safety on the voyage, in the case of the medical doctor health, and so on in the case of the other trades.

In the second book of Politeia Plato assumes a task that will occupy him until the end of the fourth book. It is the task of demonstrating

that justice is a virtue with intrinsic value. Justice makes the just person better and happier, not only because of the external benefits of acquiring a good reputation, but also because of its effect on the person's very being, his very soul.

In order to carry out this demonstration Book Two takes a methodological turn: Since the word "right" or "just" describes equally the just state (polis) and the fair and just man, Plato turns next to building in his mind the parameters of an ideal state. Justice will be visible on a larger scale in that state. Then justice can be seen more clearly on the smaller scale of the individual. Here Plato again shows himself to be functionalist and pragmatic. Human action always has an end, a good, a telos. The real architects of a polis (city, state, society) are human needs. The first and greatest need is food. So there must be farmers. Then Socrates (Plato's faithful voice) lists other necessary specialists, ending with the office of guardian (archon). The Archon is in charge of the defense and the good order of the polis. Now comes another methodological turn: now the key issue is the education of the guardians from their early childhood, since the good of the entire polis depends on the character and knowledge of those in charge of organizing it. Again Plato calls for moral order. Since children like running and shouting, in their early education they must learn to dance and sing, in order

to bring order to their running and shouting, and thus bring order to their souls. For the same purpose the tales that are told to children should tell no evil. They should be stories of the exploits of the good gods and of the good mortal heroes.

The third book is also mainly engaged with education, always starting from the premise that education should prepare the learner for the role she or he should play in the polis.

In the fourth book Plato declares that his plan for an ideal polis is now complete. Therefore the speakers in his imaginary dialogues are able to discern justice. It is now visible on a larger scale. Then they can discern justice also on the smaller scale of the individual.

Justice turns out to be organizing the polis so that everyone makes her or his specific contribution to the good of all. Socrates had previously used the example of a statue. A statue is not beautiful for its eyes. The eyes may be a beautiful color but the beauty of the statue does not depend on beautiful eyes alone. The statue is beautiful because of the harmony of all its parts.

Applied to the individual justice is self-government. According to Plato the soul has three parts and one part should govern the other two. Each person has a *logistiche psuche* (rational part of the soul)

which should ensure good governance of the other two parts of the soul. The rational part should govern what for the sake of brevity and repeating my recommendation to read Plato's full text I will call the appetites and the emotions. The soul in turn governs the body. In this way Plato arrives at the end of his fourth book at his proof that the just person is happier than the unjust person. The just person is better governed and therefore happier. He will go on developing this central idea in the later books of the *Politeia*.

Both happiness and justice are found in order, but not in a cold order, but rather in an order heated by the warmth of brotherhood and illuminated by visions, like the vision of the Good later in *Politeia* and the vision of divine madness in a different dialogue, the *Phaedrus*. Unjust deeds may succeed in gaining for their doer passing pleasures, but they cannot bring happiness. Several times when contrasting pleasure with happiness Plato compares happiness to health. Both are well-governed and beautiful harmonies. Plato's well-governed beautiful harmonies anticipate what Sigmund Freud two thousand years later would call the sublimation of the erotic.

In the fifth book, Plato argues that in a polis there is no greater good than unity, no worse evil than discord. In the sixth book Plato compares the governance of a polis to the governance of a ship. Everything is good when the captain is a philosopher, a lover of

wisdom. Its very love of truth makes wisdom both an intellectual and a practical virtue. There is all the more reason, then, why in the sixth, seventh and following books, the *Politeia* is dedicated to the education of the philosopher who is destined to rule,

Education begins with music. (Music is a category in Plato's thought that includes stories) It goes on with physical and military training and then to mathematics and, finally, to a dialectic that finds the ultimate foundations of the principles of other sciences. The education of the guardians culminates in the vision of a good that is both beauty and truth. The government led by these philosopher-kings (sometimes Plato seems to think of just one) it is a guarantee of unity, harmony, order, and balance. In the eighth and ninth book, Plato contrasts this just with four types of unjust polis. Each form of unjust state corresponds to an unhealthy individual personality. It is unhealthy because it is dominated by appetites and / or emotions that should not be rulers. What should be ruled rules. The appetites and emotions should be governed by the *logistiche psuche* and, therefore, by the Good.

Having designed for an imaginary perfect polis an ideal form of education, Plato devotes himself in the tenth and final book of the *Politeia* to the criticism of the most common form of education he observed around. This education centered on the reading of the

Iliad and the other great poems of ancient Greece. Socrates asks if anything useful was ever produced by Homer, any good in peace or any victory in war. He asks if a poet has ever found a cure for a patient or invented a tool for a craftsman.

Once again showing Plato's pragmatism, his spokesperson in the dialogue Socrates says that it is in use that the true principle of knowledge is to be found. It is not the one who makes a flute who knows the truth of the flute. It is the piper. The truth of the flute is known to the piper who plays it and who instructs its manufacturer. Even farther from the truth are the imitators, the painter who paints a picture of a flute or the writer who writes poetry about flutes. (Here in Plato's discussion of the primacy of use we can see why the ideal education of the philosopher-king was an education culminating in a vision of the Good, and not as one might have expected in a vision of Truth or a vision of God.) The mere poetic fantasies of the imitators belong to those parts of the soul that are to be governed, to the appetites and the emotions. So if poetry were to be the basis of education, the polis would be governed not by law and reason, but by pleasure and pain.

Roots of the concept of politics (Part Two): Aristotle

The *Politika* of Aristotle consists of eight books. It is a treatise that comes after having been previously announced, as the coming of Jesus was previously announced by John the Baptist. Towards the end of his main treatise on ethics Aristotle he says that to complete ethics he must now move on to politics. Before the first word of its first book *Politika* is already defined as the continuation of ethics.

In the first book Aristotle says that man is an animal that lives in a polis. Translated another way man is a political animal. Humans form families. Then they form villages or neighborhoods. Finally to achieve a full good life they combine in a political community (a polis). The basic relationships are formed in the family. These are the free person-slave relationship, the adult-child relationship, the man-woman relationship, and the relationship of all the family to its property. It is noteworthy that for Aristotle much depends on what is natural and what is not natural. According to Aristotle slavery is natural. That men and not women command in the home is natural. Money growing into more money because of charging interest on loans is not natural. Selling in order to buy something to use is

natural. Buying in order to sell the thing you bought later at a profit and thus accumulate more money is not natural.

In the second book Aristotle criticizes Plato who was his master and teacher. Plato exaggerates the value of unity and underestimates the value of plurality. Plurality is necessary for the polis to be self-sufficient; possessing all specialties required to meet its needs. Without the self-sufficiency achieved by plurality (what Adam Smith would later call the division of labor) the polis cannot govern itself in peacetime or defend itself in wartime. Private property is required because without private property the members who formed the polis to live well cannot practice the virtues of generosity and mutual aid.

In the third book Aristotle analyzes the different forms of constitutions. For him this is equivalent to analyzing the different concepts of justice. At one point he defines a polis as a community united by a common concept of justice. Nevertheless, there are unjust constitutions. They are those in which the authorities govern for the good of themselves and not for the common good. One just authority is a king. The corresponding rule by one unjust person is not a proper kingdom but a tyranny. The just authority of a small

group is an aristocracy. If the small group is seeking its own interest and not the interest of the polis, then the (unjust) constitution is an oligarchy. Aristotle favors a certain level of political involvement by a relatively large number of members of the polis, namely those who have enough social status and enough resources to bear arms. To this type of government Aristotle gives the name that was the title of the literary masterpiece of Plato, Politeia.

Although Aristotle favors a more participatory constitution than the just rule of one person or the just rule of a few, he is far from proposing the participation of the poor, workers, or women. In what he calls "democracy" he fears the possibility of an unjust form of government. In a democracy the poor rule. They may seek their own interests at the expense of the law. It appears to me that in the last analysis Aristotle thinks the best government is not government by one or by few or by many, but rather the rule of law and reason.

In more detailed discussions in the following books four, five, and six Aristotle qualifies all of the above. Perhaps most importantly he says that for a constitution to be stable it must respect the power of those who actually have the power.

Of all the books of *Politika*, the seventh is the most similar to Plato's *Politeia*. In this book Aristotle is engaged in designing a good polis. He starts with the premise that to build a good polis one must first determine what a good life is. His reasoning is impeccable. If by definition a polis is a community (*koinonia*) of people who are associated in order to live a good life, then to design a good polis one needs to know first and foremost what a good life is. To rule (meaning to lead) one needs to know the point and purpose of the rules (where to lead to). Assuming this premise, Aristotle uses a main conclusion of his *Nicomachean Ethics*, a treatise that can be regarded as the Volume One of the *Politika*, as the *Politika* can be regarded as the Volume Two of Aristotle's *Ethics*.

All agree (as Aristotle recalls from his treatise on *Ethics*) that the purpose of life is the good, and that the good is happiness (*eudaimonia*). According to the analysis of Volume One happiness is a product of the practice of virtue. Therefore Volume Two it is necessary to design the good polis making it in a place where its members practice virtue. Aristotle invokes the same principal virtues analyzed by Plato: wisdom, courage, temperance, justice.

To enjoy the free time to practice virtue, the members of the polis cannot be workers or merchants. Aristotle's (but not Plato's) tacit assumption appears to be that the polis is to be designed for the

good of its (upper class) full members and not for the good of all. Of the six functions that need to be performed in any polis -which are agriculture, handicrafts, security, property management, worship of gods and government- the first two ought to be performed by slaves or by a subordinate working class. Bearing arms and therefore security is appropriate for young people; the worship of the gods corresponds to the elderly. Aristotle stops to consider whether the life worthy of being chosen by a free man already mature and not yet aged is the active life of one who manages property and governs public affairs, or the intellectual life of the philosopher devoted to the search for scientific truth. Without dismissing the merits of the active life, Aristotle tends to prefer the intellectual life.

In the eighth and final book, Aristotle states in categorical form that the education of the youth must be the first priority of the legislature. The good of the polis depends on the character of its citizens. Education is first and foremost character education.

Education should be public, not private, and should be common to all members. Since education for the formation of habits necessarily precedes education for the development of conscious reasoning, the first steps in a child's education should teach gymnastics and sports. Aristotle highlights four major areas: 1. Reading and writing, 2. Physical training, 3. Drawing and 4. Music. The *Politika* concludes

with a long discussion of music in education. Aristotle distinguishes in detail what types of music are to be used in the education of young people and which are not. He quotes Homer: The best pastime happens when diners are seated at a banquet in good order listening to a singer.

What definition of "politics" can be distilled from the consideration of these two historical sources of the meaning of the word? In short we can say that politics is the art of governing. It is the art of guiding decisions and building institutions to meet basic needs such as food, and beyond meeting basic needs to live well. Politics is inseparable from ethics. It is inseparable from education. Bad and unjust governance occupies a somewhat anomalous conceptual space in between the presence of politics and its absence. It is in some sense politics because it governs. It is, however, not politics in the full sense of the word. In Aristotle's terms a tyrant is a degenerate king, not a real and proper king.

My distillation of a definition of politics from classic sources of the word filtered out slavery, exclusion of women and workers, etc. Here I confess that my procedure of "defining by distilling" is opportunistic. I want desire and long for a world that works for the good of all in harmony with nature. With this benevolent attitude I approach politics. I want a functionalist and teleological definition of

it. In the writings of Plato and Aristotle I seek the support of two authorities who established and gave meaning to the word "politics." I find support, but I also encounter elements plainly at odds with the good of all, and these the sieve my distillation simply discards.

Our word "govern," comes from Greek and Latin *kubernao* and *gubernare*. Both mean "pilot a ship." We recall that both Plato and Aristotle cited the pilot as well the medical doctor and other professional specialists to establish the basic principle that knowledge is a source of legitimate authority. Knowledge (*episteme*) in turn serves the good (a practical good, in the pilot's case specifically the good of bringing the ship safely to port). The pilot, and therefore the governor, and therefore the true politician --I conclude—exercise legitimate authority only if they serve the vital needs of the people.

The impossibility of politics today (Part One): Habermas

Jürgen Habermas has argued in *The Legitimation Crisis* (1975) that the main role of government in our time has become to guide the economy to generate the welfare of all and specifically to generate a surplus to finance social spending. Habermas has already

suggested that the failure to fulfill its main function undermines the legitimacy of governments. I will summarize his analysis.

Habermas believes that the fundamental mechanism of social evolution of the human species is that we are a species that learns. In principle we are able to organize social forms increasingly able to serve what he calls "generalizable interests." In other words society can in principle serve the interests of all. Thus in modern language he echoes the classical concept that identifies politics in its full sense with seeking the common good. Habermas wants desires and longs for respect for the dignity of each person.

He recognizes four general types of social formation in history:

First there are those communities that Emile Durkheim called "archaic." Their organizing principle is the division of labor by age and sex. Their institutional core is the kinship system -- the family, the clan, the tribe.

Secondly there are traditional societies. They are political societies in the sense that there are rulers and ruled, governors and those who are governed. Their organizing principle is class -- hierarchy. There are rulers and subjects. In such a context an Aristotle can investigate whether it would be more suitable to be governed by one person (a king); by an aristocracy, or a polity that includes all carrying

weapons. Good governance is possible even when bad government is likely.

In a traditional society the sovereign can borrow for reasons of war or for other reasons. However debts cannot cause systemic crisis because the ruler can always change agreements modifying payments and even not paying. Creditors, even if rich, are subjects. When push comes to shove they have to accept their losses. The feudal principle that the kingdom belongs to the king, the empire to the emperor, is an active principle in theory and in practice, even though it may be resisted in theory and in practice by nobles and by merchants.

The third social formation is liberal capitalism. Its organizing principle is the relationship between wage labor and capital rooted in private law. Decisions on investment, production and distribution of goods are made by private individual or corporate persons. They operate without state intervention. However, somewhat paradoxically, it is state power that enforces the institutions that enable them to operate without state intervention. Their property rights and contract rights are institutionalized by the state in its territory. These rights frame and constitute markets for goods, labor, and capital. The institutional framework of a global market also comes into being. In his account of liberal capitalism

Habermas speaks of "depoliticization" and of the anonymity of class power. The tax state (the state that lives by collecting taxes) becomes a complementary institution to a self-regulating market that is society's primary institution.

The fourth and last type of social formation is what Habermas called "late capitalism" (Spätkapitalismus), or "organized capitalism," or "capitalist organization" or "state-regulated capitalism." It is the social formation he is most interested in. It was the social formation of the advanced societies of the seventies of the twentieth century when Habermas wrote *The Legitimation Crisis*. Despite the recent neoliberal counter-revolution it remains, albeit with some modifications, still today our social formation.

Late capitalism is characterized on the one hand by the concentration of business, by large corporations, and by multinational and transnational conglomerates. With them comes the "organization" of the markets for goods, labor and capital. This means the end of competitive capitalism. It is characterized on the other hand by state intervention to correct market failures, which means the end of liberal capitalism.

Habermas uses a three-sector model to show typical features of the economy in advanced countries. He posits three sectors of approximately equal sizes:

1. A sector still regulated by competition, still regulated by the market. This sector is characterized by the intensive use of labor. It accumulates little capital. Profits are low. It provides many jobs at relatively low pay.

2. A sector oriented by the market strategies of the large oligopolistic firms. It is less labor intensive and more capital intensive. It is the most dynamic sector, with greater capacity for innovation and greater wealth. It is more internationalized and more unionized.

3. A public sector that includes organizations directly controlled by the state and also private firms that live on state purchases and subsidies, such as the arms and space industries and parts of scientific research and agriculture.

In such an economic system with three sectors, the deliberate private and public organization of economic activity partly replaces the competitive mechanism. The role of the government (what Habermas calls "the political-administrative system") in the economy is not primarily to be a welfare state. It is primarily to focus on improving the conditions for capital accumulation, for example by strengthening national competitiveness. It is the government's success in guiding the economic system towards increased productivity and profitability -- as the pilot of Plato guided the ship to port-- that makes it possible to fund a welfare state. The political-administrative system aims to ensure that there is a surplus available to pay the expenses of the state itself and also to pay the costs of the welfare state.

Besides the economic system and the political-administrative system Habermas recognizes a system of legitimation; in other words a cultural system. The coupling of the economic system to the political-administrative system repoliticizes the production relations that liberal capitalism had depoliticized. The system demands more legitimacy precisely when the cultural system is less able to perform its functions. The system demands more legitimacy because the expansion of state activity brings a growing need for legitimation.

The cultural system is less able to perform its functions because capitalism weakens traditional culture. The living conditions of late capitalism tend to weaken the rules that guide orderly coexistence (rules Habermas following Kant calls "practical reason.")

His three sector (private competitive, private oligopolistic, and public) and three system (economic, political-administrative, and cultural) analysis leads to his reasons for saying there is a legitimation crisis. The policy goals of government are unattainable in two ways: they are unattainable in the regulation of the economic system because of the legal framework of private property. They are also unattainable in satisfying the demands of the electorate. The voters are increasingly demanding their economic and social rights. Demands for the satisfaction of what Habermas calls "generalizable interests" (for example the interest of everyone in health) are often expressed in terms of rights (for example the right to health care). Giving the electorate what it wants and what it feels it has a right to becomes an unattainable objective. Let me elaborate.

Although the public may think that economic performance is determined by public policy, the truth is that the global economic process remains driven by private processes, and largely by

unconscious processes of which the actors may not even be aware. State manipulation has narrow limits. The state cannot redistribute without triggering an investment strike that would paralyze the country, nor can it tap the resources of the large accumulated fortunes without provoking capital flight with the same effect. The state's capacity to manage or avoid the cyclical shocks of the accumulation process is also very limited. Its efforts to use public spending to compensate for the downswings of the private business cycle typically lead to aggravating inflation and / or to deepening the sea of debt in which the state is already drowning.

Although the dominant sector of the economy, the oligopolistic sector, is highly productive and although it provides the public with good quality goods at affordable prices, its way of operating is more knowledge intensive and capital intensive than labor intensive. Further, its economic power resists the heavy taxes that could fund the state. On the contrary, given the intense international competition to attract investment from large companies, the state has to spend increasingly on infrastructure and other inducements in order to keep the economy going and growing.

The state has to compete with other states to attract investors, and it does so by reducing their tax rates. At the same time there is a

tendency to produce more and more with less and less labor. There are growing numbers of people who are not living by wage labor and who are one way or another burdens the public budget must bear: the unemployed, criminals, police and soldiers, schoolchildren and students, pensioners, other kinds of beneficiaries of social security benefits, the physically sick, the mentally ill, the alcoholics and drug addicts, all the marginalized.

The gap between the limited possibilities to finance the state and the increasing burdens the state must bear produces a permanent fiscal crisis of the state.

Habermas also speaks in terms of a political dilemma of technocracy. One horn of the dilemma results in postponing the satisfaction of the legitimate and rightful demands of the people. The other horn of the dilemma (the one that raises taxes to provide more funds for social programs) cripples economic growth.

Whichever horn of the dilemma is chosen, the government falls into a deficit of legitimacy. An unbridgeable gulf between the benefits promised and the achievements produced inevitably disappoints the electorate.

Today, if I may footnote Habermas with an observation about the world in 2016, we can see the legitimacy deficit deepening in many

countries in the face of the advance of an unstoppable juggernaut of crime and drugs. Crime and drugs become insurmountable problems within the existing social formation because of the chronic underfunding of the efforts of the political-administrative system to include the excluded, and because of the chronic weakness of a cultural system less and less able to instill the ethical principles that Habermas calls "practical reason."

Habermas is of course not opposed to the re-politicization of the economy, or to the welfare state, He doubts that they are sustainable because he is pessimistic, not because he yearns for a laissez faire neoliberal utopia.

Habermas sees the impossibility of politics today, its inability to practice the art of government by steering the ship of state to a safe port where all the passengers on it share in the good life, as manifested in the first instance in the economy. At a deeper level he sees that the ungovernability of the economy derives from its legal framework. It is civil law that sets the rules of the game for a playing field where individuals are expected to pursue individual interests. Although late capitalism is for Habermas a fourth type

of social formation in history, it is one whose legal framework is still largely that of liberal capitalism.

Civil law is not only law. It is the codification of the moral force of an individualist ethics that is now deeply etched in the common sense of the people. According to Habermas the legitimation crisis in politics calls for a response at a level deeper than either economics or law. It is a crisis of ethics.

Habermas devoted much of his academic career after writing *The Legitimation Crisis* to overcoming both the shortcomings of libertarian individualist ethics, and the shortcomings of the many skepticisms which deny cognitive validity to any ethics whatsoever.

He sought to contribute to building a social ethic that would instill democratic solidarity without falling into collectivism. Seeking to avoid the collectivism denounced with plausible and persuasive reasoning by authors such as Hannah Arendt and Friedrich von Hayek, Habermas insists that one must understand the moral socialization of people as the shaping of their identities as free and responsible persons. He sought a rational ethic that would embrace the individual freedom cherished by modernity and at the same time underpin institutions able to meet the vital needs of human beings and of the biosphere.

A mélange of individualism and skepticism, and the legal and economic systems it supports (at least by throwing cold water on efforts to reform them), does neither. It serves neither freedom nor welfare. It serves a society that has come to be dominated in practice by exchange-value (i.e. market price). To rectify its shortcomings such a society must acknowledge that after all, as Adam Smith himself said, the whole point and purpose of exchange values is to achieve use values. As examples of use values Habermas mentions health and environmental protection. He tends to see the reform of capitalism and the construction of democratic socialism as the growth of an ethics of use value and the withering away of domination by exchange value.

Fundamentally, what is most needed is a rational ethics that seeks consensus by appealing to facts and reasons. Humanity must rebuild itself as a species endowed with reason. From the origins of our species human action has been guided by cultural norms, but since the coming of modernity we can no longer accept cultural norms just because they are customary. In modernity and post-modernity norms must be and can be justifiable.

What is not needed is technocracy. The lived-worlds of people, the worlds people actually live in, are the places where the moral foundations of institutions are built. The necessary moral foundations of institutions are now being undermined by technocratic pseudoscientific systems that bypass the lived-worlds of

people. They are both ineffective and intellectually indefensible. They are unable to integrate the motivations and identities of human beings with the functions human beings are expected to perform in our highly complex societies. In other words, if I may footnote Habermas again, technocratic pseudoscientific systems are unable to do what Plato said justice does.

Convinced that the legitimation crisis of late capitalism, and its necessary evolution towards post-capitalist economies, are profoundly ethical challenges, Habermas devotes the latter part of his book on the legitimation crisis --and much of the rest of his academic career-- to the construction of a communicative and cognitive ethics. He proposes that to be ethically valid a rule or an action must be one with which all those affected can agree as participants in rational discourse.

In his proposals for ethics and in many other ways Habermas shows perhaps not complete agreement but at any rate clear affinity with defining politics as the art of governing for the common good and as inseparable from ethics and from education.

The basic cultural structure of ungovernability: Foucault

Let us take stock of where we are. Consider again why statecraft has become in late capitalism an art attempting the impossible. As I read Habermas the most fundamental failure is at the level of ethics. Politics is impossible because of an individualistic ethics embedded in the cultural substrate of the jurisprudence of bourgeois civil law. It is also impossible because of the skepticisms which deny the scientific validity of each and every one of the philosophies that seek to establish ethical principles on rational grounds. At a fundamental level the solution lies in the greatest legacy that Professor Habermas has left us: a cognitive ethics based on the conditions necessarily implied in all human communication, and also based on empirical findings in the field of the psychology of moral development.

I find in Habermas support for my proposal that politics in the sense of the word "politics" I have "distilled" from classical sources requires ethics. Aristotle already said it: "Among all living beings only humans have language. Of course the use of sounds to express pain and pleasure is also found in other animals, but the use of language that is appropriate to talk about what is suitable and what is inconvenient, what is just and what is unjust, this belongs only to humans among living beings. We distinguish good from evil, right

from wrong, and other things of this nature. Common agreement on them is what organizes the domestic life of families and cities.”

In the times we live in day by day ungovernability usually manifests itself as inability to solve economic problems. In late capitalism the state assumes responsibility for guiding the economy. However, the global economic process remains driven mainly by private decisions.

State manipulation has narrow limits. The state cannot redistribute without triggering an investment strike that would paralyze the country, nor without provoking capital flight with the same effect. Nor can it brake the cyclical downturns of the accumulation process, although to some extent it can modify them at the cost of aggravating inflation and / or going deeper into debt. A growing gap between expenses and income produces a permanent fiscal crisis of the state.

Between the most visible level, the level of the permanent contradiction between social justice and economic imperatives, and the deepest level, the level of the constitutive liberal ethics of Western modernity and thus of the global economy, we find an intermediate level : the legal framework. Civil law delimits action

fields for strategic pursuit of individual interests, depriving of resources and of motivation the collective pursuit of the common good. It is therefore appropriate as a next step in spelling out the meaning of my thesis that politics is impossible to investigate the history and to analyze the power of the legal framework of the civil law. The history (or "archaeology," or "genealogy") of liberal jurisprudence and its relationship to sovereign power were addressed by Michel Foucault in his course of lectures in the Collège de France in the winter of 1976.

The civil law that has provided the legal framework for the economy since the late Middle Ages until today prescribes the legal security of property, the mandatory enforcement of contracts, and the autonomy of the subjects who enter into relationships of buying and selling. It does not prescribe the strict duties of reciprocity and redistribution that organized societies whose basis was kinship. (Here I am assuming that to analyze the evolution of European institutions is to analyze the development of the institutional foundations of today's global economy.)

Max Weber in his great work *Economy and Society* shows that without civil law principles largely derived from Rome the capitalist economy and therefore modernity would have been impossible. Without them there is no economic rationality. The consequences of

economic decisions are not kalkulierbar. Karl Polanyi in his great work *The Great Transformation* wrote the story of the decline of reciprocity and redistribution. Michel Foucault took up aspects of these same topics in eleven lectures given between January 7 and March 17, 1976 not precisely to investigate the capitalist economy but rather to investigate its indispensable prerequisite: namely, the sovereign power that establishes and ensures its basic legal structure. His starting point is that to carry out a concrete analysis of power relations one must abandon the juridical model of sovereignty.

The juridical model of sovereignty is a contract model. It is a model of autonomous people who by mutual agreement make a transaction similar to a purchase and sale. They commit themselves to abide by an agreement that all its parties agree to. In the mythology of early modernity which is still powerful to this day sovereign power was created by an original social contract.

Foucault at the beginning of the course in January 1976 wants to discredit the juridical model of sovereignty especially as it constitutes the legal framework of the market. The mythological contracts of early modernity did not just establish who was king;

they also established the conditions under which the king's rule was legitimate, and these conditions included the king's respect for the property and contract rights that constituted markets. The autonomous legal subject was both the presupposition and the result of the social contract. Thus the juridical model of sovereignty establishes the foundations of an economic concept of power, whether liberal or Marxist.

Since Foucault was looking for a non-economic concept of power, he is forced to seek a non-legal concept of power. (Why he was looking for a non-economic concept of power is explained in detail in a forthcoming book on Foucault; suffice it to say for now that he says it is what he is looking for in his College de France lectures of January 1976.) The legal model of power founds power on a social contract. This same social contract founded market fundamentals: property, the autonomous legal subject, and contract --most relevantly in this case especially those contracts that are sales (from the seller's point of view) and purchases (from the viewpoint of the buyer). Foucault is right. Indeed those economistic interpretations of history that explain the events observed by causes attributed to market forces presuppose the legal framework constituting the market forces.

Foucault asks. How can I make a non-economic analysis of power? Necessarily he must do an analysis of power that is not a legal analysis of a social contract creating sovereignty. He must show that it is not law that creates power. His analysis will be a genealogy and an endorsement of discourse that says that power creates law.

The discourse that Foucault will describe and praise he calls "historical-political." To understand the meaning of his phrase "historical -political discourse" we must first understand that for Foucault power makes truth. Power is not imposed by sheer physical strength. To ensure its dominance power invents knowledge. It invents stories making cognitive claims that pass for certainties.

The political -historical discourses whose history Foucault portrays in his lectures at the Collège de France in the winter of 1976 are among the knowledges that produce power. Foucault is not talking about politics in the sense of statecraft we have distilled from the Greek classics. His phrase "historical- political discourse" denotes texts that claim to be true histories deployed as weapons in power struggles.

Chief among the political- historical texts Foucault analyzes are stories about wars between races. Authors linked to power composed chronicles of the wars of the Frankish race against race of the Gauls. They winners were the Franks. This political-historical discourse explains why in France at that time (the time when the chronicles of the race wars between Franks and Gauls circulated) the aristocracy was composed of Franks and the Gauls were subjects. The war established the sovereign power. The historical-political discourse reinforces the sovereign power by telling the story of its origin, often adding details that are pure fantasy.

Although many of the details may be fantasies, Foucault agrees with the chroniclers that wars and not contracts establish sovereignty. Sovereign power is established by war in more than one sense. Foucault finds that late medieval historical-political texts often use war as "analyzer" of society. War stories explain the existence of social classes; they explain the monarchy and the nobility and overall power relations. Neither the old-time authors studied nor the contemporary author who studies them, Foucault himself, believes that laws and governments are born in a state of nature imagined by a philosopher like Hobbes, Locke or Rousseau. Laws and governments are born in specific real wars and battles; amid expeditions, conquests, and burning cities. War continues to act

with full ardor in peacetime. It is installed within the mechanisms of power. It is the engine that drives laws and states and human institutions generally.

Political-historical discourses weave fantasies together in order to interpret the past and organize the present. Power produces truth. It draws renewed strength from the truth it makes. The large mirror of its misrepresentations that pose as true science teaches nevertheless something that is truer than the juridical model of sovereignty: the wars establish the institutions. Foucault emphasizes that the term "war" refers not only to the battle, the conquest, the invasion, etc., but also to all the bellicose relationships in time of peace that shape all the other struggles, all the other confrontations either by way of direct consequences of battles and conquests, or through a series of movements, changes and displacements of the balance of power.

The great historical stories of antiquity were, according to Foucault, self-glorification. They were written by power, of power, for power. (Virgil's *Aeneid* is perhaps an example of what Foucault had in mind.) Foucault analyzes in detail the works of Count de Boulainvilliers, who in 1733 published a history of France in three volumes, because Boulainvilliers represented something new.

Boulainvilliers weaves a historical political discourse to serve the interests of a resentful nobility. He recounts on page after page heinous encroachments on the rights and privileges of his own class, a warrior class that had become a landed aristocracy. On his account for several centuries a series of despotic monarchs allied with the officials of the state administrative apparatus and allied with an increasingly powerful commercial bourgeoisie had contrived and conspired to despoil the nobility.

The political-historical discourse of Boulainvilliers was a counter-discourse. It articulated the contours of a socially divided kingdom. Now France included different "nations" or "societies" or "classes." The various powers facing each other could develop different knowledges. Boulainvilliers, with his sophisticated propaganda written to serve the interests of the extreme right, opens the way for the popular anti-king rhetoric of the French Revolution of 1789. He opens the way for the proletarian knowledge that would articulate socialist thought and organize the class struggles of the nineteenth century.

In the broader context opened up by his research on the history of political thought, Foucault returns in his lectures of March 1976 to the juridical model of sovereignty. He considers again the same juridical model of sovereignty -- the same anti-historical-political

discourse-- that in January 1976 he had declared his intention to abandon. Now it appears in a different light. The anti-historical or ahistorical juridical model of sovereignty based on imaginary contracts and on parochial legal principles pretending to be eternal and universal returns to the stage. This time it is a weapon of war in the hands of the victorious warriors who founded our modernity.

Foucault considers the different versions of historical knowledge circulating in France in the century before the revolution of 1789. Each version of history corresponds to a political tactic.

According to historians anticipating the theses of the Third Estate (the bourgeoisie) the conquest of the Gauls by the Franks never happened. Nor did anything like it happen. On the contrary, the ancient Gauls lived in peace and prosperity under the protection of benevolent Roman emperors. The emperors respected a Roman Law that both authorized their own rule and guaranteed commercial liberty in the cities of their Empire. The freedom of the cities from the abuses of the feudal lords who ruled the countryside was consistent with sovereignty as defined by the Empire's legal framework. The same law established the monarchy and the market. These historians saw in the past what they wanted in the present: a strong king who could quell the arrogance of the nobility, who was authorized to be the king and at the same time

limited in his royal powers by a legal system that made urban merchants secure.

Foucault goes on to discuss the ideas of "barbarian" and "savage" in the political-historical discourses of France in the century before the revolution. Although at first glance one might take the barbarians and the savages to be the same people differently named, Foucault's analysis shows that the role of the two words in 18th century ideological warfare was much different from the role of two signifiers naming the same referent. Those who speak of the barbarian warriors from across the Rhine who invaded France, defeated the Gauls, and established hierarchy, aristocracy, and monarchy are the conservatives. Like Bouliantvilliers they are in favor of maintaining the warrior spirit they attribute to the barbarians. They teach that equality is the ruin of states. Equality is the way to despotism and to weakness.

The savage, on the other hand, according to Foucault, is an essential element of the legal model of sovereign power. The savage is the natural man. He is an ideal man invented by economists, a man who has no history and no past, a man who is moved only by self-interest, who lives only by exchanging the product of his labor for

the product of another's labor. The savage is essentially the man of exchange; he is the exchanger of property rights. As exchanger of rights, he founded society. He founded sovereignty. As exchanger of goods, the savage forms a social body that is at the same time an economic body.

In this war between historical-political discourses --or on this discursive front of a more general civil war-- we know who won. The third estate won. The absolute monarchs and the feudal lords lost what was left of their unlimited powers. They lost not only in 1789. Long before then there began a process of setting limits to the powers of kings and nobles. Long before them the legitimacy of sovereignty had come to depend on concepts of sovereign power that set limits to it, including precisely those limits that make economies ungovernable today and thus make politics impossible. Over the course of recent centuries a juridical model of sovereignty has become deeply rooted in the minds and hearts of the people--and not without bloodshed. Many have died on battlefields in Europe and around the world to establish the duty of the ruler to respect the rights of the ruled. If we did not know previously, we know from the analysis of Habermas that these customary norms deeply rooted in the hearts and minds of the people and made

sacred by the blood of martyrs are customary norms with both lights and shadows.

Foucault's argument for his thesis that power creates law, and not law power, concludes by acknowledging that in fact supporters of the liberal rule of law with all its lights and shadows usually win wars.

In November of the same year 1976 Michel Foucault published *La Volonté de Savoir*. There Foucault acknowledges again that European institutions (and thus the global economy) operate within a liberal legal framework that rests logically on a juridical model of sovereignty in the following words: "... the Western monarchies were built as systems of law, and conceived through theories of law. Their mechanisms of power function according to the form of law. The old reproach of the French monarchy made by Boulainvilliers –that the monarchy used law to abolish the rights and to reduce the power of the aristocracy is roughly correct ... The history of the monarchy and the clothing of the facts and procedures of power in the garb of legal and political discourse were things that marched in unison. "

The Impossibility of Politics (Part Two): Michal Kalecki and Jeffrey Winters

In the light of these contributions from Jürgen Habermas (H) and Michel Foucault (F) we can further clarify the meaning of "impossible" in my thesis that today politics is impossible. Rather than repeat again my comments on H and F, I will discuss other authors, first of all Michal Kalecki, in the light of H and F.

Kalecki, writing in the thirties and forties of the twentieth century, suggests that in a liberal economy capital has what he calls a powerful indirect veto on the actions of any government.

The social contract -the contract that F called the juridical model of sovereign power- is fictitious but nevertheless effective. While it defines the sovereign power it sets limits to the sovereign power. The same social contract establishes the legitimacy of the state and guarantees the liberties of citizens. Here unpacking the meaning of "liberty" gives us the constitutive rules of the market. Kalecki observed that in a laissez faire system constituted by those liberties, production depends on confidence. It depends on the confidence that consumers will buy, the confidence that investors will invest, the confidence that banks will be solvent and will not be forced to close by the massive withdrawal of money from their accounts, on the confidence that there will be a sufficiently wide margin between

production costs and selling prices, on the confidence that overdue accounts are going to be paid, and on a thousand other kinds of confidence. At bottom production it depends on profit. It is slowed and eventually stopped by any weakening of confidence that threatens profits.

The state has become (to recall what H says about his third social formation, liberal capitalism) a mere complementary institution to an economic machine whose engine is confidence. In its capacity as a complementary institution, the government (even in H's fourth social formation, late capitalism) dares not do anything that would lower confidence. On the contrary, the elected representatives of the people spend their days desperately contriving measures to raise confidence. They panic when they fail and confidence falls, fearing that it may collapse and with it the economy and their political careers. Thus the economic (read physical) necessity of confidence gives capital a powerful indirect veto over public policy.

Kalecki understands democratic politics as an endless inconclusive class struggle. It is a perpetually unfinished battle between the workers who have almost all the votes and the owners who have almost all the money. Although the list of possible options is made shorter by the indirect veto capital always possesses, nevertheless electoral majorities count. When elections are approaching and in

certain other circumstances, governments tend to allocate more resources to the welfare of the majority. There is a trend towards less inequality. But it is not sustainable. Renewing the dynamism of an economy where confidence is flagging because the pie of the social surplus is being sliced in favor of labor, requires greater inequality again. Both sides have a share of power. Neither one nor the other wins a final victory.

Half a century after Kalecki the research findings and the reasoning of Jeffrey Winters have cast his political analysis of in a new light. Winters' describes the beginning of an era he calls the time of "the locational revolution." Others call it "globalization."

Due to the locational revolution voting citizens have lost the (always limited) power they used to have -- through the legislators and heads of state they elected-- to write the rules of the economic game they play.

The locational revolution means that to an ever increasing extent capital decides what the rules of the economic game will be when it decides where to locate. The world has become a global market. It is not only goods and services that are for sale in it. Laws are for sale too. The liberties of the merchants of Gaul who lived under the

protection of Roman Law within the confines of urban spaces exempt from domination by the privileged nobility who ruled the surrounding countryside have grown. They have ballooned. They have exploded to a planetary scale. Those liberties (in other words, the legal framework which defines the market) have metamorphosed from being the norms of particular places within kingdoms, to being the universal norms to which every king (and every republic) must bow. The contents have become the container.

The locational revolution is just beginning. Its long-term consequences will be more severe than its consequences already evident.

The legislative powers of the 196 countries in the world have become manufacturers of laws whose main consumers are the transnational corporations. The world has become a law market where nations are sellers and companies are buyers. Companies choose which laws they will obey as housewives choose which brand of detergent will buy from the shelves of supermarkets. Capital withdraws from countries where the laws do not suit it, forcing each of the 196 legislative powers to change their laws. Legislators outdo themselves to produce products that will be attractive to those who judge their products and decide whether to buy them.

To be more precise, capital often does not simply withdraw from a country whose laws dictate high wages and high taxes to finance a welfare state. What it often does is locate production in one country, sell in another country, and declare profits in a third country. The accounting practices and the political negotiations through which this is accomplished are somewhat complex and need not detain us. Production tends to happen where the quality of labor is high and its price is low. Taxes on profits tend to be paid where taxes are low or nonexistent. Similar remarks might be made regarding the owners of accumulated fortunes who are not themselves directly involved in production.

Competition among 196 countries in the market for laws obliges countries with high wages and high taxes to lower them. In the future it will no longer be simultaneously a welfare state and internationally competitive. The future is already starting to arrive.

The perennial inconclusive battle between those who have almost all the votes and those who almost all the money described by Kalecki is no longer inconclusive. Those with the most votes lost.

The fiscal crisis of the state highlighted by H in the seventies of the last century has reached another level. In case after case (Japan,

Italy, Greece, Portugal, France, United States ...) sovereign debts have become astronomical and unpayable.

If we still have the audacity to want to practice the art of politics -- that art which guides public decisions and builds institutions to meet basic needs such as food and health care, and beyond that builds communities where people enjoy good and happy lives—we can no longer even imagine doing so without also imagining a happy resolution of the fiscal crisis of the state.

Let us remember and elaborate seven of H's reasons for speaking of a fiscal crisis of the state: (1) The rising cost of infrastructure, subsidies (including tax breaks), research and development, education, security, in many cases bribes and other expenses necessary to compete with 195 other states to attract business; (2) Similar costs are necessary not only to attract foreign investment, but also to retain national capital. Although the capital be native to local districts, it still has the option of locating its operations in 195 other territories. (3) The moral strength of the concept that every human being has economic and social rights leading to the principle that it is the duty of the state to be the guarantor of those rights. It is increasingly unacceptable that society abandon the needy. It becomes unacceptable, for example, not to pay for the education of poor youth who need education to compete in a knowledge society;

(4) The highly technical nature and less labor intensive nature of late capitalism, now reaching another level with robotization, 3D printing, and artificial photosynthesis. There are increasing numbers of working poor, criminals, students, drug and alcohol addicts, prisoners, unemployed or precariously employed, military and police and guards, the institutionalized insane, and others who do not live by selling their labor in the labor market and who in one way or another strain public budgets; (5) Tax havens and other loopholes that allow those who hold most of the wealth to evade sharing, (6) The progress of health sciences that makes medical care better but more expensive and enables elderly retirees to live longer; (7) The resulting indebtedness of the state. Not infrequently the sovereign becomes a royal beggar begging for new loans to make the payments on his previous loans.

It is difficult to imagine real solutions to the fiscal crisis of the state that would not be (or would not seem to be, or could not be attacked as) attacks on liberty. Whether it is bans on cross-border capital movements, or regulating transfer pricing, or tying capital to territories or limited functions, or raising inheritance taxes, or taxing directly large fortunes, or forcing the owners of intellectual property to allow its use at affordable prices, or setting minimum

wages or maximum wages, or banning the importation of goods produced by super-exploited labor, or public policies favorable to labor unions or cooperatives , or capturing economic rents and using them to fund the social budget, or closing tax havens, or cooperating with other states to collect taxes rather than competing with other states by lowering taxes, or favoring the various tertiary sectors of the economy with special legislation to encourage them, or setting wages by collective bargaining and not by individual contracts, or mandating social and environmental accounting, or cancelling the debts of consumers or students or nations, etc. etc.

The historical research of F and others teaches us to fear the rhetorical power of the words "freedom" and "liberty." Since medieval times they have been the war cries of commercial interests. In the late Middle Ages and in early modernity they were the war cries of cities (of bourgs, hence the French word bourgeois) rebelling against the nobility, first in alliance with the kings and later against the kings. The core of their meaning has always been commercial. When democracy came onto the stage of history, the sovereign people inherited the commitments made to the bourgeoisie by the sovereign monarch. They inherited the juridical model of sovereignty. Respect for freedom of trade has been etched into the constitutive norms of society for several

centuries by jurisprudence by philosophy by science by religion and by force.

In the twentieth century there were those who identified the defense of democracy against the totalitarian Soviet and Nazi regimes with the defense of the liberal version of the rule of law. In the twenty first century important authors argue that the only legitimate democracy is a democracy that enforces not just any rule of law but specifically a liberal rule of law. Today the early twentieth century philosophy of sovereignty of Carl Schmitt has become fashionable again. According to Schmitt the sovereign it is the one or the group who has the power to declare a state of exception. Translated into practical terms –as it has been many times— doctrines like Schmitt’s mean that the military will declare a state of exception and suspend democracy when it deems it necessary to do so.

Thanks not only to H but also to Amartya Sen, Martha Nussbaum and others we can give newer and better meanings to the words “liberty” and “freedom.” Nevertheless, they remain haunted by the ghosts of their pasts. A liberal model of sovereignty is still entrenched in constitutional law. Statecraft today also collides with the economic science built on the foundations of liberal law and ethics. The doctrines of Adam Smith and Milton Friedman are

more than faith in the efficiency of self-regulated markets. What Smith calls "natural liberty" is more than the basis of his science. It is more than Smith's starting point for building a science of natural rent, natural wages, natural prices and so on; as Isaac Newton built a science around three laws of mechanics, each of which permits the calculation of ideal quantities around which the observed facts fluctuate because of various distortions, but in the end converge toward their natural values.

When Adam Smith or his French contemporaries invoke "natural liberty" they invoke the war cry of the rising bourgeoisie of the 18th century, not long after "liberty" triumphed in the English "Glorious Revolution" of 1688, and not long before it would triumph again in the French Revolution of 1789. When Milton Friedman declares in the first chapter of *Capitalism and Freedom* that the economic theories he will spell out in the following chapters are logical consequences of the principle he starts with, and that the principle he starts with is the freedom of the individual, Friedman is telling the truth.

Although though those of us who argue that neoliberal thinking like Friedman's lacks scientific validity may be correct in theory, in fact today such thinking tends to dominate in practice. It prevails on the whole (with some nuances and some exceptions) in

universities, in governments and in international organizations. Keynes' argument that because the best way to reconcile justice and efficiency is not known, therefore nations and peoples should be left free to experiment with different economic and social models collides with a worldwide consensus among the powerful that the best way to reconcile justice and efficiency *is* known and the liberal economists know it. Statecraft collides with the enormous intellectual weight of the incumbent economic doctrine of the efficiency of free markets and the supposedly impeccable logic of the doctrine of comparative advantage. It also clashes with the military power that has so often imposed liberal economic science by violence. Perhaps even more importantly, politics as I have distilled it from classical sources collides day in and day out with the practical necessity of business confidence as anyone can confirm by reading the newspapers or watching the news on television. Falling prices in stock markets, capital flowing out, investments cancelled or postponed, and so on punish even small threats to confidence. The redistribution of wealth remains on the runway and never takes off. It never becomes airborne. It remains earthbound because of the credible threat that if redistribution ever flew confidence would crash. The inevitable defeat of the "populist politicians" who dare to challenge economic power inevitably undermine confidence and inevitably end up causing disinvestment, shortages, unemployment,

and inflation is already an old song that economists and political scientists know by heart.

In short, politics is impossible.

With the help of H, F, Kalecki and Winters, we can now specify a meaning for the word "impossible." From H we have learned that the goals of politics are unattainable in two respects: they are unattainable in the regulation of the economic system because of the legal framework of private property. They are also unattainable in satisfying the demands of an electorate that demands its economic and social rights due to the same legal framework. From F we have learned that the juridical model of sovereignty is false but effective. It is the doctrine of the winners of yesterday's wars. It is the stuff modern institutions are made of. From Kalecki we have learned that the economy does not move without confidence. Its insatiable appetite for confidence is a consequence of a dynamic of production driven by the logic of turning money into more money. This dynamic and this logic are presupposed and propelled by liberal jurisprudence. From Foucault and others we know that historically we can speak of times when the liberal rule of law was establishing itself and constituting the forces that drive markets. From Winters we have learned a way of articulating something perhaps we already knew about our own times: because of a

locational revolution it is now the market forces that decide which laws will be enacted, not the other way about.

Briefly put, "Impossible" means incompatible with the legal framework of the global marketplace. What is now impossible is what is incompatible with the now-prevailing liberal version of the rule of law, and incompatible with the juridical model of sovereignty that rationalizes it.

How to Make Politics Possible (Part One): The Trimtabs of Unbounded Organization

In the second book of *Politeia* Plato writes that the real architect of the polis is our needs. The first and greatest need is food. Then he says that is why the polis requires farmers, and then he says no more. He does not say whether the farmers will cultivate each his own plot. He does not say whether each house will have its own farmer or farmers. He does not say whether food production is to be concentrated on large estates, or whether it will be divided into small farms, or whether at harvest time it will be gathered into large granaries such as those of the Pharaohs of Egypt, or if it will be distributed in fixed proportions per person or per family, or

distributed as agreed between merchants and buyers who bargain over prices, or distributed according to kinship relationships as established by custom, or distributed as decided by heads of households.

Nevertheless, Plato, in his silence and in his innocence in his *Sitz im Leben* two thousand years before liberal capitalism and almost 2500 years before the late capitalism, says what is most essential. The real architect of the rules that constitute a human society is need. This is why in the division of labor there must be some whose calling is agriculture. In general, for each trade (*techne*) there is a specialized knowledge (*episteme*) and a good (*agathon*). Living in his *Sitz im Leben* two thousand years before liberal capitalism Plato could not imagine that libertarian philosophers of the twentieth century would denounce the criterion that the needs of some people should give rise to duties of other people to act to meet those needs as an unacceptable attack on freedom. Still less could Plato imagine that the first theorem of welfare economics would be that a general market equilibrium is a Pareto optimum and therefore a maximum of human welfare.

The Politeia operates simultaneously on two planes. On one plane it is a book about social justice. Justice is the organization of the entire society so that each makes his specific contribution to the good of the whole society. On another level it is a book about the soul. The health of the soul depends on this very justice. A requirement of social justice, like the requirement that farmers acting in their specific role should provide food for all, is an ordering of souls. It defines the farmer's vocation. It defines his mission. It defines an essential element of what Emile Durkheim called social integration and of what we now call mental health.

Thus Plato anticipates what we call unlimited organization (UO). Although UO is more a worldview than a definable concept, it can be provisionally articulated in the following three principles:

1. Commitment to life. It is a commitment to work to meet (not just the physical but also the emotional and spiritual) vital needs of all human beings, and a commitment by humans to live in harmony with the other species that share the biosphere with them. (Anticipated by Plato in his postulate that the just polis is one that functions to meet needs).

2. An unlimited flexibility to organize and re-organize the institutions of society to improve their capacity to serve life. (Anticipated by Plato in Book Two of the Republic by his silence, even though in another dialogue The Laws, Plato displays a quite alarming rigidity, and even though the systematic unending improvement of institutions in the light of democratic debate and scientific research is an ideal commonly associated with the open society of Karl Popper who hated Plato with a passion, and with the experimental society of John Dewey who did not think much of Plato either).

3. Alignment across the different sectors of society in the service of the common good. (Anticipated by Plato in his definition of justice, and in the parallel he draws between justice in the state and justice in the individual soul.)

Unlimited organization (UO) is a functionalist, pragmatic and constructivist worldview. In theory it overcomes the limitations of the liberal rule of law founded on the juridical model of sovereignty. It makes it clear that institutions have a purpose: to build a fully nurturant society, to serve the good of life. In the classical terms of Aristotle, humans form communities in order to live; they cooperate to live well. Since institutions have a purpose, they can be evaluated and revised. And this is important: Sometimes institutions should

cease to exist. In my capacity as a philosopher who has also been a practicing bankruptcy lawyer, I offer my personal testimony that dissolving an organization that no longer serves an economic or social purpose is not a death. It is not homicide. The corporation ceases to exist but the human beings who participated in it live on. Liquidations and reorganizations are necessary parts of the continuous improvement of institutions and their continuous adaptation to changing circumstances.

In UO the great ideals of liberalism, dignity and freedom, reappear in a healthier light. Now they have the qualities of values that are constituents of the human good. In the terminology of the later philosophy of Wittgenstein they are words with uses. Dignity for all and the yearning to be free are phrases that do things, they are causes with effects, as humans engage in the activities of evaluating institutions, reviewing them, improving them, and perhaps dissolving them.

I do not have to prove that the true values of dignity and liberty are consistent with (and even demand) public action to achieve concrete objectives such as clean drinking water, clean air, adequate salaries and pensions, health ... etc. No, I do not have to prove it,

because it has already been proven by among others Jürgen Habermas, Amartya Sen, Martha Nussbaum, and Margaret Archer. What needs to be overcome is not freedom but the dysfunctional abuse of the rhetoric of freedom in the worldviews of liberal and neoliberal capitalism.

We must overcome –we must be liberated from-- a model of sovereignty which postulates that the legitimacy of government is subject to compliance with an original fictitious contract. It is this abstract liberal fiction --in the words of Bourdieu and Passeron it is this culturally arbitrary fiction imposed by violence-- that condemns --to cite just one example among many-- the people of Greece to suffer an endless martyrdom of the flesh in a vain attempt to pay unpayable debts.

UO as a worldview is nurtured in its strength and in its persuasiveness by a confluence of current scientific revolutions that undermine the intellectual foundations of the liberal version of the rule of law. I mention four of them:

1. Anthropology. The main social sciences were established in the nineteenth century with a strong tendency to treat the then dominant liberal institutions as if they were expressions of

eternal and universal human nature. Today the concepts and theories of "culture" developed in contemporary anthropology authorize a Copernican revolution in the social sciences, disavowing those liberal universalist pretensions.

2. Postmodernism and critical realism. Western modernity used to conceive the civil law, human dignity, and respect for persons, human rights and freedom as elements on a very different cognitive level when compared to any religion Western or Eastern, and as very different from the cosmologies and mythologies of non-western peoples. Liberalism (for example in Kant) was declared to be rational and therefore akin to science. The philosophical deconstructions of the twentieth century done mainly by French philosophers, which was partly a revival of Nietzsche's nineteenth century nihilism, stripped the Emperor of his clothes. It showed Western modern social morality to be no more or less rational, and no more or less scientific, than other social moralities constructed in other times and at other places. With the exceptions of the normative principles of social order that the deconstructionists had not yet gotten around to deconstructing, they were all deconstructed, all demystified all

revealed to be bogus, ancient and modern, West, East, North, and South.

Critical realism answers postmodernism's general skepticism. It argues that today it is still possible to maintain a coherent scientific and naturalistic philosophy, and to draw ethical and political conclusions from it. However, the consequences for social morality of today's critical realist still-defensible-appeal-to-reason are more Marxist than liberal.

3. The solidarity economy. Solidarity economy was born in Chile among slum dwellers suffering from unemployment and social and repression during the 1973-1990 dictatorship. It was driven initially by Christian activists drawing on the central role the word "solidarity" had assumed in Catholic social teaching since the papacy of Paul the Sixth. It was soon welcomed by indigenous communities and by people with any or no religion who sought practical alternatives for the dispossessed, and found them in the solidarity values of "Factor C" (cooperation, community, communication, warmth (calor), commitment, companionship ...)

The social and solidarity economy movement can also be regarded as a Copernican revolution or as a coupure epistemologique. It moves economics out of the box of what Joseph Schumpeter called its institutional frame. In the new constitutions of Ecuador and Bolivia, for example, economics and politics are explicitly rooted in indigenous values older than liberalism.

4. The revolution in physics. In early modernity the ideology of liberalism was in many ways intertwined with Newtonian physics and astronomy. Traditional ideologies had been in many ways intertwined with traditional religion. Without really intending to do so, Newton created a worldview that was an alternative to religion or perhaps a new religion. In the words of Alexander Pope: "Nature and nature's laws lay hid in night God said, Let Newton be! And all was light." Mimicking physics was especially common in economics, sometimes called "social physics." Since Newtonian physics is no longer up-to-date physics, mechanistic social sciences are now less persuasive. For example, it is less persuasive to identify a

welfare maximum with general equilibrium in an ideal market. It is more persuasive, in Habermasian terms, to repoliticize wages and transfer payments. It is more persuasive to realize that who gets what has always been a political question and then to do politics in an ethical and rational way. General equilibrium conceived as Leon Walras (who invented the concept) conceived it as the social equivalent of the Great Cosmic Machine that brings a beautiful order to the starry skies is unmasked as the bogus science it always was.

It would be a mistake, however, to model the new politics on the new physics.

The trintabs recovery policy

Deep-four paradigmatic changes summarized above and other more-make general philosophical foundations that support the rigidity of the increasingly credible liberal institutions. Soncada increasingly alien to contemporary science. But recovery policy also

states that the trimtabs reorient the direction of specific policy mechanisms lie down. Three of those specific mechanisms are the locational revolution (Winters), the need for trust (Kalecki), and the fiscal crisis of the state (Habermas and O'Connor). Trimtab the word refers to a small rudder using the pilot of a ship to change course after the big rudder that turns the tide of the entire ship. When looking for affordable interventions trimtabs look, if not easy at least within the range of what is achievable; yet strategic, with the potential to trigger major changes needed.

Facing the locational revolution

Recall the problem. For clarity we outline the worst case, not an ideal type but an anti-ideal type: Capital choose the rules when deciding where to play, or when choosing where to locate their operations. Operations of capitalist enterprises depends employment, taxable money flows, food supply and supply all the necessary things. So the capital has the power of life and death over the entire population. His interests prevail increasingly in drafting the rules. Following the rules that organize this skewed system, increasingly in favor of capital, rentiers accumulate more and more money; entrepreneurs accumulate more and more power. The mass

of people work long hours for low wages; or have only precarious or informal work; or live outside the system dedicated to crime or prostitution or joining a demi-monde of drug gangs or fundamentalist terrorists.

Trimtab: Build on the advantages that the states and the people do have in their negotiations with capital (despite the above sketch of the worst). In their study of negotiations between the state and capital in Indonesia Jeffrey Winters it shows that those benefits are greatest where minimum in cases of "hot money" fixed assets (such as are minerals in the soil) and (liquid accounts they can move from one country to another by clicking a computer keyboard).

Trimtab: To prohibit the entry of hot money.

Trimtab: Encourage non-relocatable companies. They do not leave the country or participate in the global auction laws because those who control them have no reason to leave. Capital does not control. They are usually non-relocatable state enterprises, state enterprises, joint ventures, cooperative, communal enterprises, township

enterprises, and enterprises and small businesses whose owners are its employees. Raise capital to operate banks and other providers of capital (sometimes with State Guarantee). Pay the price of capital in the capital market. I.e. they pay the interest rate set by that market. The capital is an input into the production process, as are the raw materials, but the capitalist is not the owner of the company.

Trimtab: Negotiating with different sources of capital. We live in a world awash in capital accumulated and now again flooded by astronomical amounts of money issued at interest rates near zero for the central banks of the European Community, the United States and other countries. Most of the capital is not invested looks where profitable opportunities in the real economy. Revolves around the earth in a huge global casino of financial speculation. They are booming ethical funds that manage the savings of people who want to invest in a socially responsible manner, and also funds social criteria established by governments and international organizations. In the current environment it is very likely that what you do not get a source of capital is achieved otherwise.

Trimtab: Tying capital territories. Tie them to specific missions. An example is the National Bank for Agriculture and Rural Development of India. (NABARD). Your money does not move from India. No variation of its mission, which is rural development. Other examples are the capital of banks by its mission and its constitutive rules serve only to trade in a particular city or region. Such banks are numerous in China and also exist in Italy, Argentina, and other countries.

Trimtab: Support those philosophies, religions, cultures and psychologies that define property owners and managers to social responsibility to use them to serve the common good. Homeowners and businesses encouraged by such ethical principles, such as signatories of the Global Compact sponsored by the United Nations, undertake not to move their capital to take advantage of laws that leave workers unprotected and the environment.

Trimtab: Prefer those who profess and practice social responsibility as investors. Prefer their products. Favoring them in public policies and private purchases. This is the position of the movement called economy for the common good. Reverse the image from 196 countries competing to see who can write the most favorable capital

laws. On the contrary, this movement integrated systematically entrepreneurs dedicated to serving the common good. Then they expect lawmakers to support them, and therefore lawmakers also support the common good. They expect the same of the buying public.

Facing the need for trust

Recall the problem. Humans lived thousands of years for hunting, for collecting wild plants for grazing, fishing, sow and reap, for raising chickens and pigs and ducks and geese, and grow trees with fruits and edible nuts. Today we can not live without something our ancestors nor imagined: trust. It is confidence that business will be profitable. Without trust the avicultor not raise chickens, the merchant not buy nor sell, the restaurant chef not prepared, and consistent customers do not eat poultry casserole.

When speaking of "trust" in this context we talk in the foreground and in the end the investor confidence that their investment will be profitable, and the entrepreneur confidence that his company will be

profitable. Profitability, in turn, requires sales in sufficient quantities and at prices sufficient to cover all production costs and leave a profit. There is also talk of other types of confidence and consumer confidence. If consumers have confidence is more likely to buy and thus generate sales that ensure profitability.

Politicians are the assigned mission impossible to build trust. They are the blame when there is not. But the trust depends on the belief that there will be money; profitability depends on sales; sales depend shopping, and politicians do not have the authority to give guarantees that people will buy.

What politicians have to avoid at all costs is creating a crisis of confidence. That is, they must avoid at all costs there is a widespread belief that there will be no return. Thus other goals- better health, better retirement, better education, better protection of the environment; the ethical goal of achieving a fair distribution of resources; and overall telos of living and living well-necessarily have to be postponed. It is necessary, not optional, to give priority to the engine without which the system moves. It is necessary to ensure that investors and entrepreneurs requiring profitability.

Mikhail rightly Kalecki wrote that the need for capital trust gives an indirect veto over public policy.

Trimtab: Promote material practices those whose engines are not profitable and / or the objectives are not sales. Since the need for confidence stems from the need for profitability, which in turn requires sales, you can overcome the power of veto over public policy established by the need to trust, to the extent that we can overcome the need for profitability and the need for sales.

Trimtab: In the social sciences encourage detailed study of the variety of economies that exist and have existed for about abstract models of pure economics that purport to be eternal and universal. The number of suitable organizational forms to meet human needs than private companies for profit whose quantitative analysis concerned the economy is pure infinite principle. In today's world, in all or almost all industries air-lines, appliances, Internet, banks, housing, publishing, oil companies, hospitals, hotels, agriculture ... He finds one or more examples of forms of organization they are not economic. Thus the social sciences can contribute to

overcoming the veto power of one form of economic organization, to expand the range of possibilities studied.

Trimtab: Grow the great alternatives that already exist. Being in principle infinite number of material practices whose engine is not the accumulation of capital, that is not profitability, Karl Polanyi and Jose Luis Coraggio have highlighted four alternative organizational principles that mankind has practiced en masse. You can not doubt its feasibility:

1. Reciprocity
2. The redistribution.
3. The planning.
4. The popular economy.

Trimtab: To support the popular economy. It is the small businesses, often family members, who are everywhere: laundry, small library, the grocery store, the bakery, the copier with four positions cyber, independent plumber, the fletero, hairdresser, peddler, the little

coffee, kiosquero who sells newspapers ... It is the sector that generates more employment in Latin America. Its main resource is the work of their owners. Its engine is not accumulate capital; It is not profitability. You just live. Here is an unusual but illustrative example: In the crisis of Argentina of 2001, when many owners closed their businesses because they were not profitable in some cases the workers took the same businesses and re-opened. It was not because the business suddenly became profitable when they were made by his staff. No. The goal of workers was not profitable. For them it was enough that the company -now converted into labor-union pay them a salary. What was a "cost" according to the logic of private enterprise for profit it became an "objective achieved".

You can support the workers of national economy in many ways: incorporation into retirement systems and health, providing training, prefer them in procurement, improve police protection against criminals, grant credits, establish municipal fairs with cheap seats or free ...

Trimtab: Multiply the good and decent jobs that are not dependent on sales. Among the many examples of those who work but do not sell scientific researchers who are paid to investigate, teachers in public schools and teachers in charter schools, priests and religious who live of donations of the faithful and wealth are, athletes who are sponsored by a company or a foundation, those who do community service or other useful or reforestation work in public employment programs, and scholarship students who live and support their families.

Multiply also hybrid cases, those living in part by sales, but also get other resources to live well outside the mercado. Es the case of a symphony orchestra musicians. The orchestra does sell tickets, but not complete its budget without donations music lovers without the sponsorship of companies, or without contributions that do not have the form of money such as free use of the municipal theater. This is the case of members of a family who does have those who sell their labor in the labor market, but also engage in self-construction to add another room to your home, and also dedicated to raising children, to grow, to cook, to sew, to make jam with fruits of the time, to care for sick granny, to fix the sewer ... -this is another hybrid case. Better they are living with fewer purchases, and

therefore less need to earn money by selling something. They are more self-sufficient.

A people living more and more dedication to service by reciprocity and redistribution, form families and strong communities. Your happiness or unhappiness depends less on the profitability or unprofitability of large companies. They show that it is possible to live less dependent on a system whose only way to meet the vital needs is to invest, buy supplies to the capital invested, produce, then sell profitably. In such a diverse country, with many trades that are not dependent on sales and many hybrid forms of life, the veto power of capital over public policy has to be less.

Trimtab: Search steps to reverse the decline in confidence which may result from those pro-social measures to lower profit rates. Outputs are not always satisfactory for all parties, but it is always good to look.

Do not exaggerate the danger. It is true that there are cases when low confidence to zero, capital abscond, and no crisis. A civil war

often leads to massive capital flight. A political threat of confiscation usually produces a massive and sudden flight. A concerted international effort can de-stabilize a country. But in normal times events such as salary increases, tax increases and / or discourage unionization investment but do so in moderate and slow forms. Not every investment will stop. It is not all smoke and disappears profitability.

Extraordinary performance is not normally necessary to ensure the operation of an industry. Just enough to pay the cost of capital (the "opportunity cost") and to motivate entrepreneurs (to pay what Alfred Marshall called "the offer price of business") profitability.

Usually no time to negotiate with stakeholders, weigh the options, collect data, and seek agreements - ideally consensus. One option may be to reorganize a bankrupt industry edge forming joint ventures with state participation. It can be considered in this case private capital injections from sources gain confidence when they have the state as a partner. Another option may be to look for buyers to buy companies who have more confidence that the

current owners. Muchasopciones is usually more - some already suggested in the previous pages. OI think.

Always worth getting or try to get access to the accounts of companies to determine how much talk of crisis is blackmail, to what extent there are conditions to find viable solutions that preserve both industries and the pro-social measures, how far in the end certain companies or certain industries should be closed. (Recall that OI is a principle that organizations often must cease to exist. The closure does not have to be a disaster. Nor have to be a disaster when the private sector for profit is shrinking, giving way to growth cooperative sector and other sectors.)

The veto power of capital over public policy can be in some cases a ghost mirage. It can disappear when the parties stop to discuss details of the issues and to negotiate win-win outputs. Negotiate solutions in the relatively easy cases it can be a trimtab where the whole direction of society to the highest levels of goodwill and mental flexibility needed to solve the most difficult cases.

Confronting the fiscal crisis of the state

Recall the problem. In its long historical development the cornerstone and main beam liberal state has been right to take property king of his kingdom. The heir-current king of the democratic state has no kingdom.

The English Bill of Rights of 1689 and inspiring antecedent of French and American-constitution is a good sign. He claims against the abuses of the recently deposed King James II. Forces the new King William III and his successors to be financed only with taxes approved by parliament. Steuerstaat born.

Nowadays even the tax-the last resource to be left to the sovereign-vanishes. Large private fortunes, which are the only wealth that remain - come to stop increasingly offshore. Governments do not even know how many there are, where they are, consisting of, or who are its owners. Adding insult to injury by competing lowering the taxes able to pay taxes in order to attract and retain businesses

in their territories. Meanwhile usually over a year waiting for hernia surgery in a public hospital.

The current state is and is not familia. Es family because it is the guarantor of human rights of each and every one of the sons and daughters of the motherland. Must ensure their education, health, employment, and other economic and social rights, which is to say that society should organize their own activities and to bring attention to the needs of everyone. It is not because he has no family heritage.

What to do? I confess that I think the best first step is prayer. Human beings, sinners that we are hardly going to unlock the structural impediments in the economy that dominates without purify our souls and find the Divine Will. Forgive me my humanist friends who believe that religion necessarily divides humanity and without it could join. I suggest, in any case, both for those who need God to those who do not need the following ways to overcome the fiscal crisis of the state.

Trimtab: To solve the fiscal crisis of the state and generally to serve the common good work with large corporations. They constitute the most dynamic sector in the current global economy. Are among the main causes of the crisis. They have to be part of his improvement. Not that the individuals who manage large companies are personally responsible. They like the world-meet socially constructed roles. They play the game of business according to ground rules established before birth. The basic rules of the market will endure after his death. The rules are the institutions that are the main causes of the results produced by the institutions, but insist-there- the free choices of individuals and groups also count. Although it is not one hundred percent false to say that the big transnational companies dominate the world, or say they have more power than the power of states, it is not one hundred percent true. If "master" or "have to" means "the cause," then what mostly dominates and has the power is not no human being and no human group or any legal fiction legal personality as is the company, but the custom. Are the rules that constitute the institutions (eg the market) and define the roles (eg buyer, seller, investor, debtor) that mainly determine what will happen (eg determine that there will be a fiscal crisis of the state). We should qualify this statement to the extent that the course of history is determined by wars, but only qualify it and not reject it, because as we have learned from Foucault-wars-particularly

imposed rules state standards liberal right. So we do not blame individuals when we see the ravages that have resulted from the excessive power of big business.

The damage does not imply that the poachers can not bring to undo the damage. It is true that large companies will never collaborate in changing the direction of modern societies because it suits them. The current direction of the world goes to social chaos and ecological disaster, which does not suit anyone. It is true that people should always --for example CEOs of big businesses- have "power" or "the maximum power possible."

Nor is it true that large multinational companies refuse to collaborate with other sectors to solve social problems .Basta visit their websites to confirm that almost all have sunk to the speeches of corporate social responsibility and / or shared value.

Conclusions: their collaboration is necessary. They should collaborate. They say they are willing to collaborate.

Trimtab: Reframing large companies and social institutions for social purposes. Resignificarlas as generating surpluses.

They are generating surpluses that have sustainable competitive advantages.

They are generating surplus by differentiating their products, innovations and above all controlling technologies.

We live in a time of transition to much more efficient than those of the past and present technologies. In our world system organized according to the principles of rule of law every new technology liberal-be three-dimensional printer, is artificial photosynthesis, is capturing the atmosphere or water desalination of sea - will be the intellectual property of someone. It is expected that most will be intellectual property of large multinational companies. It is they who have the ability to invent or to purchase any of its inventors. If the end result is that a tiny elite controls the wonders of wealth; and as tyrants, oligarchs and demagogues Aristotle used solely for its own sake, it will be a disaster. If the result is that public entities take

control of new technologies and manage social criteria and / or that large transnational corporations themselves function as social institutions generating surpluses in the service of the common good will be a utopia.

On the physical level, at the level of use values, science is able to rescue mankind with pure water, cleaner air, more healthier foods, more and better housing, more energy and more health-and all that sustainably in harmony with the environment. If humanity was able to follow the wise advice of ecologists and other natural scientists, and even the advice to limit the birth rate, we could avoid the disaster that already exist and those to come. All this at the level of use values. We turn now to the plane of money, the plane of exchange values.

P call the selling price of a typical product of a for-profit company located in what Habermas called late capitalism organized sector.

We call D the price the typical consumer is willing to pay.

Thanks to science, $D - P$ can be a big plus even with markets "organized" without very competitive markets but not only positive number. The consumer gets the product for much less than he or she would pay if necessary pay. This difference can be called consumer surplus.

M call the minimum price that the company can accept covering all its costs, and even the cost of capital, and achieving a normal profitability.

Thanks to science, $P - M$ can be a positive and large number, even if the costs of the company include decent wages paid to unionized employees and / or representatives on the board of the company. This difference can be called producer surplus.

I call the taxes transferred money to the government, both consumer taxes as corporate taxes and taxes on transactions between consumers and businesses. We call F the flow of money to non-profit organizations dedicated to the common good sponsored or supported by big business. It can be seen in the F category also money flows perceived by organizations for social purposes have assets that have the form of company shares.

Resignifying large enterprises and institutions with social purposes of generating surpluses in a time of exponential growth in advanced technologies can be expected cash flows calculated with prices P following positive even subtracting I and F .

Trimtab: Moral education, conceived as continuing education throughout life. Perhaps it was a time when you could say that social reforms intended to raise the moral level of an entire population were pure castles in the air without contact with the ground. While such pessimism was perhaps in some other time, right now is that today this pessimism is no longer true. On the progress of pedagogical and psychological sciences, the systematic and widespread moral education has become something you can do.

Plato was right writing that education should start with music and dancing to sort the sounds of voices and movements of bodies. Friedrich Schiller was right when he said that man is an emotional being who fails to ethics if it fails aesthetics. Emile Durkheim was right when he said that loyalty to the course and the school was a

necessary intermediate step between family loyalty and loyalty to the nation, possibly culminating in loyalty to humanity. Jean Piaget was right when he showed that morality is still the heart of the intellect. In general the classical genius of moral education all had their share of reason, and have contributed to the accumulated wisdom and science that allows us today to think about education of children and adults who lays the foundation for a socially responsible society acquis .

Raise the moral level of the population has everything to do with overcoming the fiscal crisis of the state for at least four reasons:

1. In fact the now unsustainable social spending was never an end in itself. The goal was always to meet the vital needs of the people. To the extent that people and thus families function better-less orphans, less domestic violence, but elderly abandoned-And to the extent that people and therefore civil society work better -more food security achieved by cooperation between neighbors, safer neighborhoods, more homes Christ ... - support the Treasury may be less costly and more secure its sustainability.

2. The level of social consciousness of voters citizens affects the level of approval of the taxes they must pay to finance public assistance to needy citizens.

3. The states that have not had fiscal crisis, as are those whose sovereign funds have been swollen by flows of petrodollars, have not been emphasized to ensure political, economic and social rights of its citizens. This dramatizes the call to educators from country to assume his duties as a priority in the social construction of a culture of solidarity and responsibility where the rights can become realities.

4. robotization of physical work and mental work computerization and the consequent redundancy of increasing numbers of people in the labor market will come a psychological crisis. While it is true that the transfer of the surplus generated by large companies establish the feasibility of putting money in the pockets of growing numbers of people who do not sell their labor but nevertheless have to live, money in your pocket do not given or self-discipline and culture. Living is more than having money to spend. Education and all the more necessary.

Trimtab: Recover democratic state for some of the funding sources that previously had kings, as are for example the actual ownership

of land, real monopolies on certain branches of trade, and the power to issue money.

Trimtab: When the private sector for profit into crisis, or stagnates and stops growing, use the opportunity to strengthen other sectors.

The road to the possibility of politics is to create societies that are more controllable because they are less dominated by one sector and one dynamic. In a plural economy, whose performance is less dependent on the confidence of private investors in general and in particular is less dependent on the confidence of major international investors, capital veto power over public policies designated by Mikhal Kalecki weakens.

There are many reasons for wanting a sector of large for-profit companies with greater social responsibility and less weight in the sum of total economic activity in a country. It is difficult to get their relative weight is bilge. Sometimes it shrinks by a decline in purchases of Chinese or foreigners in general; sometimes it shrinks because new technology makes it possible to meet demand with

less capital and fewer workers; sometimes it shrinks because it is cheaper to import their products and close the domestic industry. Sometimes it shrinks for unknown reasons; sometimes its activity is decreased and nobody knows why.

The hard part is to strengthen other sectors. The ideal is to move towards a more balanced economy so that in the transition process nobody loses and everyone wins.

We analyze in this section a typical problem in which (1) The cause of the decline in economic activity (ie decreased investment, employment, production, and sales) of private enterprises is in a sense of social justice . Public policies reduce the profitability by increasing salaries and to alleviate the fiscal crisis of state finance social spending and raise taxes. (2) In the background of the problematic international competition it operates both competition from imported goods as competition to sell abroad.

The goal is that no one loses and everyone wins. In this typical problem at first glance who's going to lose-or lose if we were not

enlightened and dedicated to the good of all and of each Who-- be the owners and employees of marginal businesses that can not pay decent wages, nor can pay the new taxes that alleviate the fiscal crisis of the state. They would have to break. Your employees should be laid off.

It will be useful in this context to learn from the experience of the Swedes in the sixties. We will see a sample button from this experience, and then propose to apply the principles of OI to achieve what the Swedes tried.

In the sixties the Swedes failed to protect marginal industries such as footwear. Swedish shoes were unable to compete with the Italians did not want to drive down wages and Swedish tax to the level of salaries and Italian taxes. They did not dare to compete with the Italian genius in the design of footwear. So the Swedes came to his Plan A: Close this industry that is inefficient and also unfair to us because it is not able to pay the salaries earned by other Swedes in other industries! They also closed solnedgang other industries (industries of the past). The result of inspired Plan B. Plan A Plan B train called ex and his ex-patterns -zapateros bouquets soluppgång

(industries of the future). Plan B proposed raising the average productivity of Swedish industries by closing less productive, more productive expand and create new innovative and competitive industries.

Plan B was for about four years, but then collided with the facts: there was neither national nor international level sufficient opportunities soluppgång. The problem with Plan B was not just micro-economic, or it was not just the problem of learning to make precisely those products in Sweden that the numerous and affluent world consumers wanted to buy. It was also macro-economic: a chronic deficiency of effective demand; a general lack of numerous, wealthy, and eager consumers spend their money.

Plan C was that the government hired the unemployed, mainly to build social housing and care nursery. Sweden rose further their already high taxes to pay for them. So the Swedes did their ideal folkshemmet (This word means that Sweden is the home of all Swedish-that the theme of its national anthem). They did not leave anyone. But it was not sustainable; the Treasury could not bear the cost; the public could not take taxes came to take over half the

salary of a typical worker. Plan C and generally sixties model has been abandoned. Until today the Swedes still struggling to find a formula to reconcile their folkshemmet with a modern economy framed in a liberal state of law.

How to achieve what the Swedes tried? The first principle of OI is have a clear goal. We will meet the vital needs of everyone. We will cooperate to live well. Let's do it in harmony with nature. We congratulate the Swedes folkshemmet his ideal and his persistence in seeking how to do.

The second principle is pragmatic flexibility. Options to organize to achieve goals in life are countless principle. The ecological niche of the human being is an animal creator of cultures. In fact cultures that has created are many and varied.

In light of the Swedish failure I suggest ways the eventual success of Latin American solidarity economy, starting watching, again, that the basic cultural structure that currently dominates the planet is more rigid than flexible. Organizational innovations that can be tested to

serve life are often incompatible with serving a different imperative that has been established by history. It is imperative to maintain the confidence of investors that their investments will be profitable.

A first suggestion to overcome the structural barriers that knocked the Swedish model of the sixties is more flexible concept of "business tax." I think of it as a method to capture surpluses. Immediately follow certain consequences: Surpluses are not costs of production. That's why they call them "surplus" subentendiendo that "production costs" includes the cost of capital and that necessary to motivate entrepreneurs also normal profit. So industries that provide surplus society (whether voluntarily, involuntarily it) can continue operating. Although surplus contribute to the common good, always they have enough tickets to cover the cost of all that is required to produce.

The marginal industries do not realize surplus; so if it is to capture surpluses should pay nothing.

The problem is simplified. There are fewer victims of social justice to be rescued. Among the marginal businesses that are not viable because they can not pay taxes to alleviate the crisis of the Treasury and to pay decent wages, some will only remain viable if the additional burden they have to bear is the living wage, they remain tax exempt.

Of course the problem is also complicated: If the IRS is not going to charge money to marginal business because its principle is not tax businesses where there is surplus, its fiscal crisis apparently worsens. OI again proposes flexibility: for example -and only examples because in principle by the many possible solutions are not exhausted by any list of examples-(1) capture more effectively where there are surpluses, and (2) financed in ways forbidden by liberal orthodoxy, such as, for example:. (2a) customs duties, and (2b) recovering the role of the sovereign in the issuance of money, participating for the benefit of the treasury in the lucrative financial industry (Some may not know that today-unlike the distant past when Jesus could say that a coin stamped with the image of Cesar-Cesar was the main source of money is the issue of private banks, may also not know that central banks are carefully separated from the governments elected by the people.)

The general problem is how to grow other sectors to create decent jobs for all, including former workers and former employers of marginal businesses that although tax-free, just broke because their tickets were not enough to pay living wages. Swedish sixties sought a solution in two ways, but neither found it: (1) promote new industries *soluppgång*, along with an "active employment policy" to better coordinate labor supply with demand, (2) adding to the unemployed to pay payroll tax. It must be said, however, that elements (1) and (2) could be components of a wide range of unlimited organization whose sum would be a solution.

It is noteworthy that this solution would also be a solution to most of the more general problem of the fiscal crisis of the state. The main problems identified by Habermas be solved. They were: (1) the growing number of people who depend on the state to live or otherwise cause tax expenses and (2) the inability of the state to raise resources to finance sectors that also hold most of the wealth and hold the keys to paralyze the economy. There solution (1) to the extent that strengthens OI other sectors incorporating increasing numbers of people in worthy trades. There solution (2) to the extent

that those sectors lose the keys to paralyze the economy and with them the power to resist the redistribution of wealth.

The third principle of OI is to align various sectors to serve the common good. This principle gives us a clue to create decent jobs for all. What does a sector with its logic and dynamics (eg the private sector with the logic of financial accounting and dynamics of desire for profit) does other business with another logic and another dynamic (eg agriculture program Urban define a logic of social goals and then get resources from different sources to achieve them, and a dynamic people who want to become micro-entrepreneurs with their own cultures and their own booths at the fair). The sum of the contributions of all sectors creates decent jobs for all.

A basic principle to keep in mind when constructing the alignment of the sectors is that whatever they are aligned forms of companies, co-operatives, state, recovered by their workers, municipal, private and large, SMEs, popular economy, economy enterprises popular solidarity, transnational enterprises with microcredit institutions like the Grameen Bank there can be no transfers worthy for all

trades. I mean transfers of money from where to where lack spare than for purchases and sales. I mean transfers of surpluses but only surpluses. Everyone, even the workers with their salary or dreams surplus can buy chocolates and eating chocolates, or put the same money in the hat of a beggar. Transfers are necessary and insufficient purchases and sales by the macroeconomic basic principle of the chronic shortage of effective demand. By pure logic.

A basic link is the neighborhood and the local community. The organization of local communities is a resource. Mobilizing the resources to do what Braudel calls "material practices" -that is, practices that meet life's necessities not always have to be a matter of walking seeking capital on Wall Street or in London or in the Santiago Stock Exchange. It may be a matter of making an inventory of land resources -the neighborhood next to the medical center that can be a community garden, retirees who can be technicians youth soccer team, young people who can be trained in first n aid. Experiences in many countries show that local communities have resources that can be mobilized to meet vital needs.

Other basic link are encouraged to participate in a plural, supportive and sustainable society in which they, their children, and their grandchildren will have fewer privileges, but more security business. They are the best messengers to communicate to their colleagues the millennial message and more than a thousand years of social responsibility.

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