

# Beyond Social Democracy? Takis Fotopoulos' Vision of an Inclusive Democracy as a New Liberatory Project

ARRAN GARE\*

**ABSTRACT** *Towards an Inclusive Democracy*, it is argued, offers a powerful new interpretation of the history and destructive dynamics of the market and provides an inspiring new vision of the future in place of both neo-liberalism and existing forms of socialism. It is shown how this work synthesizes and develops Karl Polanyi's characterization of the relationship between society and the market and Cornelius Castoriadis' philosophy of autonomy. A central component of Fotopoulos' argument is that social democracy can provide no answer to neo-liberalism, so the only viable alternative to neo-liberalism is the form of inclusive democracy he elaborates. Reviewing Castoriadis' concept of autonomy, it is argued that while Fotopoulos is certainly correct given the present deformed nature of social democracy, there is no reason to exclude social democracy as such from what Fotopoulos calls the tradition of autonomy. It is suggested that if the working class movement could free itself from the capitalist imaginary and return to its quest for autonomy, a synthesis of a radically reformed social democracy and inclusive democracy could greatly improve the prospects of each to successfully challenge not only neo-liberalism, but also the emerging liberal fascism of USA, Britain and Australia.

Takis Fotopoulos' *Towards an Inclusive Democracy* is a comprehensive response to the global triumph of neo-liberalism and the failure of socialism. It analyses the present state and past history of the world economy, offers a vision of an alternative future for the world, and offers a philosophical justification for this vision. While Fotopoulos is highly critical of the socialism of former communist countries, his more important arguments are directed against social democrats who believe that social justice can be achieved through state control of the market. The only realistic response to a looming social and environmental crisis engendered by neo-liberalism, Fotopoulos argues, is 'inclusive democracy'. Is socialism dead? And is Fotopoulos' new liberatory project a viable alternative to it?

The analysis of the global economy exposes the illusions perpetrated by neo-liberals that the growth of the market ultimately benefits all, or at least most of the world's population. Significantly, this work is not undertaken from a Marxist perspective. Fotopoulos' study of the global economy develops Karl Polanyi's analysis of the separation of the market economy from society and the subordination of society to the laws of the market. For Fotopoulos, the fundamental conflict is not

\* This is an expanded version of a review of *Towards an Inclusive Democracy*, published in *Review of Radical Political Economics*, Vol. 34, No. 1 (Winter 2002).

---

*Arran Gare*

---

that between the forces and the relations of production, but between the market dominated economy and society. The extension of the market has never been inevitable, Fotopoulos argues. The history of capitalism is not merely a sequence of objective phases in the accumulation of capital. It is always the outcome of power struggles between those in control of the market and the rest of society.

This framework provides a new perspective on the history of capitalism, including its recent developments. Fotopoulos reviews debates over whether the growth of international trade heralds a new era, whether the division between the first and third world is breaking down, and whether capitalism is now disorganized or is being reorganized at an international level. To show what is distinctive about the present Fotopoulos explains each phase of capitalism as the result of efforts by those controlling the market to maintain the conditions for its expansion. The shift from socially controlled markets to self-regulating markets occurred at the end of the 18th century. This was followed by an explosion of legislation removing restrictions on the market, but this proved to be unviable at the time. Efforts to protect businessmen and industrialists led after the 1870s to the growth of protectionism, the expansion of the state and the growth of nationalism. Fotopoulos acknowledges that these developments led to an amelioration of the effects of the market through social welfare, particularly after the Great Depression. This was not only the period of the statist phase of capitalism; it was the period of the 'social-democratic consensus', and as such was at least in part an achievement in the struggle of society against the market, but with the concentration of power generated by the statist phase of capitalism, this consensus could only be sustained while it served the market elites. The collapse of statism and the social-democratic consensus heralds a new phase whereby those in control of the market are extending it at the expense of society to further augment their power, completing the marketization process that was interrupted by the rise of statism.

In the new order, the state's role, along with a range of new institutional structures ranging from the local to the international level, is exclusively to create the stable framework for the efficient functioning of the market. Although this phase extends the market into the Third World, power is concentrated as never before with the elites of the core zones. Civil society has dissolved almost completely, people have been brutalized, and politics and democracy rendered superfluous. Only a small minority of the world population, mostly in a few affluent regions in North America, Western Europe and East Asia are benefiting from these developments. And the consequence of the internationalization of the market economy and the concentration of economic power it engenders, is 'an ecological crisis that threatens to develop into an eco-catastrophe, the destruction of the countryside, the creation of monstrous mega-cities and the uprooting of local communities and cultures' (p. 116). Fotopoulos argues that with liberalized commodity and capital markets, the internationalization of the market economy with an over-riding commitment to economic growth, it is impossible to regulate the market to control its destructive imperatives. Any country that attempts to do so (for instance Sweden), will lose its international competitiveness (p. 86ff). Market efficiency in an internationalized economy and social control of the market are irreconcilable.

This argument provides the background for the defence of inclusive democracy. Going beyond efforts to democratize industrial production and focusing on

---

*Beyond Social Democracy?*

---

the community rather than merely the economy, the project of inclusive democracy encompasses the political, economic, social and ecological realms; that is, any area of human activity where decisions can be taken collectively and democratically. Democracy is defined as the ‘institutional framework that aims at the equal distribution of political, economic and social power. . . in other words, as the system which aims at the effective elimination of the domination of human beings over human being’ (p.206f). Ecological democracy is defined as the institutional framework that aims to reintegrate humans and nature. The original example of genuine democracy (although it was confined to a small proportion of the total population) is taken to be ancient Athens of Pericles. The liberal ‘democracies’ of the modern world, social democratic models and Marxist socialism that reduce politics to the scientific management of production, are dismissed as various forms of oligarchy. Fotopoulos traces the history of these social forms, claiming them to be perversions of the democratic ideal.

Fotopoulos offers an historical, social and economic analysis of ancient Greek democracy to show what true democracy is and the conditions for its success. The basis of democracy must be the choice of people for individual and collective autonomy. Political decisions should be made by citizens collectively in community assemblies, not through representatives. Positions to which authority is delegated should be filled by lot on a rotation basis. All residents in a particular geographical area should be directly involved in decision-taking processes and should be educated to enable them to do so. Political rights should be accompanied by social and economic rights and, to ensure this, productive resources should be owned by the demos (the people). In one of the most important sections of the book, Fotopoulos provides a detailed model of a production and distribution system simulating and gaining the benefits of a market economy while avoiding the destructive effects of real markets. This involves a combination of democratic planning and a voucher system, securing the satisfaction of basic needs for everyone while enabling individuals to maintain their sovereignty as consumers. Satisfaction of basic needs involving more than one community should be coordinated through a confederal plan formulated in regional and confederal assemblies made up of delegates. Fotopoulos shows how such a system could be made workable economically and politically.

The point of offering such a model is not to prescribe how people should organize themselves but to demonstrate that direct democracy is feasible. Fotopoulos argues we do not have to wait for the conditions for inclusive democracies to evolve. They can be created at almost any time, although it is easier at some times rather than others. Fotopoulos argues that to escape the destructive imperatives and brutalizing effects of the present order, ‘The immediate objective should. . . be the creation, from below, of “popular bases of political and economic power”, that is, the establishment of local and public realms of direct and economic democracy which, at some stage, will confederate in order to create the conditions for the establishment of a new society’ (p. 284). This struggle must be undertaken simultaneously at the political, economic, social and cultural levels.

The final part of the book is devoted to the philosophical justification of inclusive democracy. Essentially, Fotopoulos develops Castoriadis’ arguments that the core of democracy is autonomy—the freedom of people to be self-instituting, that is,

---

*Arran Gare*

---

to be able to put into question and transform their existing institutions and their dominant social paradigm (beliefs, ideas and values).<sup>1</sup> Any philosophy that denies the possibility of such autonomy is criticised. In particular, Fotopoulos attacks those who see democracy as the outcome of something other than the free choice of people, whether this be the truths of religion, the laws of nature, the cunning of reason or the evolution of society. The question then is whether people are prepared to struggle for democracy now, given that their failure to do so not only means accepting their subjugation and brutalization, but also the destruction of the ecological conditions of their existence.

### **Evaluating Fotopoulos' argument**

How convincing is Fotopoulos' argument? There are four basic components of this to consider: the analysis of the history of the market and of the present state of the world economy, the evaluation of the prospects for socialism, the model of a fully democratic society as a realistic alternative to neo-liberalism, and the philosophical argument underlying these three components. Since the philosophical argument underlies all the others, this would appear to be the logical place to begin.

Here Fotopoulos proceeds by criticizing a number of alternative positions before presenting his own. Most of the argument is taken up with exposing the limitations of the opposing positions before presenting the view to be defended. The defended view is held to be superior primarily because it is free of the objections raised against the other positions. The problem with this approach is that the argument depends on having identified all significant opposing positions. In this case, Fotopoulos is concerned to defend Castoriadis' philosophy which grants a central place to free agency based on imagination by pointing out the failures of various forms of objectivism, whether empiricist, rationalist or dialectical, including Bookchin's effort to ground ethics in a dialectical naturalism. One of the central points made is that of the positions reviewed, only Castoriadis' philosophy is able to grant a proper place to freedom and to spell out the implications of this for politics. Acceptance of this philosophy is used by Fotopoulos to justify a sharp dichotomy between ways of understanding nature and understanding history. The latter is seen as creation (p. 320). Correspondingly, Fotopoulos argues for a sharp qualitative distinction between the 'tradition of autonomy' in which people explicitly recognize themselves as the creators of their institutions and the 'tradition of heteronomy' that excludes from questioning the laws, traditions and beliefs of a society (p. 334).

Following Castoriadis, Fotopoulos then goes on to identify the tradition of autonomy with the development of direct democracy, while all political movements not concerned to promote direct democracy are relegated to the heteronomous tradition. Fotopoulos acknowledges that there can be developments in what he calls the heteronomous tradition. Parliamentary 'democracy' was an

1. On this notion of autonomy see Cornelius Castoriadis, *The Imaginary Institution of the State* (Kathleen Blamey, Trans.) (Cambridge: Polity Press, 1987), pp. 101–108; Cornelius Castoriadis, *Philosophy, Politics, Autonomy: Essays in Political Philosophy* (New York: Oxford University Press, 1991), esp. ch. 7.

---

*Beyond Social Democracy?*

---

advance over constitutional monarchy, which in turn was an advance over absolute monarchy, and presumably social ‘democracy’ is an advance over liberal ‘democracy’, but these are held to be nothing to do with the quest for autonomy or real democracy. There are also developments in the autonomous tradition. Spanish collectives with some element of economic democracy were an advance not only over Parisian assemblies, but also over Athenian democracy. Fotopoulos’ model of an inclusively democratic political order will be a further advance, but developments of one tradition are totally unrelated to developments in the other. While Fotopoulos accepts that there may be mixtures of heteronomy and autonomy in society, he refuses to allow the possibility of traditions characterized by degrees of heteronomy and autonomy. As he argued in opposition to Bookchin:

According to dialectical naturalism, ‘between [autonomy and heteronomy] is a dialectic that has to be unraveled in all its complexity, involving interrelationships as well as antagonisms’, whereas according to the view presented here, despite the development *within* each tradition and the possible interaction, still, no development *between* them may be established. (p. 335)

This is an extremely important passage, since it highlights the source of Fotopoulos’ tendency to treat all those attempting to reform existing institutions as part of the heteronomous tradition and thereby irrelevant to the project of autonomy.

Without going into the complex arguments surrounding these issues, it is important to note that, first, Castoriadis’ position is more complex and perhaps more contradictory than Fotopoulos acknowledges, and second, that there is a richer tradition of thought than Fotopoulos considers that has sought to grant a place to human freedom while denying a sharp dichotomy between the understanding of nature and the understanding of history, and which, as a consequence, provides a new way to understand the relationship between necessity and creativity. Here I will focus on Fotopoulos’ and Castoriadis’ notion of autonomy and its implications, although I will also allude to new approaches to defending human freedom and its role in history.

To begin with, Castoriadis simply identified autonomy with self-management, but went on to develop a subtle analysis of this concept. In 1974 he wrote:

I had first given to the concept of autonomy, as extended to society, the meaning of ‘collective management’. I have now been led to give it a more radical content, which is no longer simply collective management (‘self-management’) but the *permanent and explicit self-institution of society*; that is to say, a state in which the collectivity knows that its institutions are its own creation and has become capable of regarding them as such, of taking them up again and transforming them.<sup>2</sup>

2. David Ames Curtis (Ed.), *The Castoriadis Reader* (Oxford: Blackwell, 1997), p. 29f.

---

*Arran Gare*

---

Castoriadis did not abandon his view that only where there is direct democracy can society be regarded as autonomous,<sup>3</sup> but this claim sits uneasily with other aspects of Castoriadis' philosophy of autonomy. As Castoriadis developed the notion, autonomy was portrayed as something aimed at and achieved by degrees:

As a germ, autonomy emerges when explicit and unlimited interrogation explodes on the scene... I am speaking intentionally of *germ*, for autonomy, social as well as individual, is a *project*... The questions raised are, on the social level: Are our laws good? Are they just? Which laws *ought* we to make? And, on the individual level: Is what I think true? Can I know if it is true—and if so, how?... Autonomy... is the unlimited self-questioning about the law and its foundations as well as the capacity, in light of this interrogation, *to make, to do* and *to institute*.<sup>4</sup>

Such questioning began in Ancient Greece and revived with modernity, reaching a new intensity with the Enlightenment. The emancipation of philosophy and art from religion in the 18th century, which generated enormous creativity in these fields, was an aspect of autonomy. This would suggest that while direct democracy might be something to be aimed at by a tradition of autonomy, autonomy is a broader project and cannot be identified with direct democracy. Castoriadis then went on to argue that the project of autonomy took a radically defective form first in the liberal republic and then in Marxist-Leninist 'socialism' with the quest for unlimited expansion of (pseudo-)rational (pseudo-)mastery.<sup>5</sup> There are two aspects to this defective path, the degradation of reason from critique to mechanical reckoning on the one hand, and the development of reason into a supposedly universal and all-encompassing system on the other.<sup>6</sup> My contention is that by construing this degradation as nothing but a development of the alternative tradition of heteronomy, even if such an interpretation can be justified on the basis of Castoriadis' identification of autonomous society with direct democracy, Fotopoulos simplifies what is at issue in the failure of the social democrats and thereby, what paths there are to overcoming their failures. With this in mind, we can now consider the other components of Fotopoulos' argument.

### **Fotopoulos' analysis of the market economy**

To begin with, let us consider Fotopoulos' analysis of the history of the market and the present stage of capitalism. It is my belief that this analysis is a major achievement, superior to Marxist histories because it highlights the struggles of people against the market and its elites and allows the social-democratic consensus to be appreciated as a real achievement that is now being lost. However, it appears there is an ambiguity in Fotopoulos' work that to some extent obscures this achievement, and this derives from Fotopoulos' way of construing the opposition

3. *Ibid.*, p. 407ff.

4. Castoriadis, *Philosophy, Politics, Autonomy*, p. 163f.

5. Cornelius Castoriadis, *World in Fragments* (David Ames Curtis, Trans. and Ed.) (Stanford: Stanford University Press, 1997), p. 43.

6. *Ibid.*, p. 38.

---

*Beyond Social Democracy?*

---

between the traditions of heteronomy and autonomy. On the one hand, the development of the social-democratic consensus appears simultaneously as a major achievement in the struggle of society against the market and as the strategy the market elites had to adopt in their struggle for profits. The latter position (denying the importance of the struggle by society against the market, the different strategies used in different countries and the different degrees of success) appears to derive from an overestimation of the effects of objective circumstances and of the power and role of the market elites. Thus, Fotopoulos portrays German social democracy as merely 'a remnant of the statist phase of marketization' and argues that 'in the competition between the USA/UK model of liberalization and the Rhineland social market model, it is the former that is the clear winner' (p. 97). This leads to an acceptance of the triumph of neo-liberalism over social democracy as inevitable given the logic of the market and the power of its elites, absolving socialists from blame for their increasing managerialism and corruption, their involvement in undermining trade barriers and controls on finance required to control the market and their capitulation to neo-liberalism. Fotopoulos' ambiguous attitude towards the achievements of the social-democratic consensus and to the role of the workers' movements achieving this appears to be influenced by his characterization of all activity associated with the institutions of the state as part of the tradition of heteronomy, which, as such, has nothing to do with the tradition aspiring to autonomy. It is this dismissal of the role of the social democrats and overestimation of the power of the market elites that allows Fotopoulos to deny any other path to the future is conceivable than a continuation of neo-liberalism or the development of inclusive democracy consisting of confederations of communities organized as direct democracies.

The problematic nature of this characterization of the social-democratic consensus becomes clearer in the light of Castoriadis' more encompassing notion of autonomy, specifically in relation to the working class. As noted, for Castoriadis, the quest for emancipation and autonomy (originating in ancient Greece) died, but was reborn in the 12th century and reached a new level of intensity between the 18th and mid-20th centuries. It then began to retreat in the second half of the 20th century, leading to the conformism of postmodernism.<sup>7</sup> That is, although Castoriadis believed that the quest for autonomy might have emerged only twice in human history, he included far more in the autonomous tradition than does Fotopoulos. This is evident in Castoriadis' characterization of the working class and its historical role. Prior to Marxism, Castoriadis claimed, the working class had 'brought itself through a process of self-constitution, taught itself to read and write and educated itself, and gave rise to a type of self-reliant individual who was confident in their own forces and his own judgement, who taught himself as much as he could, who thought for himself, and who never abandoned critical reflection'.<sup>8</sup> He argued that 'the press organs and the self-organizing activity of English workers' that preceded Marx were 'the logical continuation of a democratic movement'.<sup>9</sup> For Castoriadis it was this movement

7. *Ibid.*, p. 36ff.

8. *Ibid.*, p. 64.

9. *Ibid.*, p. 61.

---

*Arran Gare*

---

that was primarily responsible for what Fotopoulos refers to as the ‘social-democratic consensus’. As he asserted, ‘it was under pressure from the worker’s struggle, which continued nonstop, [that] capitalism was obliged to transform itself’.<sup>10</sup> ‘[C]apitalism changed and became somewhat tolerable’ Castoriadis proclaimed, ‘only as a function of the economic, social, and political struggles that have marked the last two centuries.’<sup>11</sup>

Does the fact that the workers did not aspire to create political communities based on direct democracy but instead struggled to transform the institutions of the state mean that they ceased being part of the tradition aspiring to emancipation and autonomy? As we have seen, Castoriadis believed that this workers’ movement was captured by the capitalist imaginary that subordinates everything to the development of the forces of production: ‘people as producers, and then as consumers, are to be made completely subordinate to it’.<sup>12</sup> In Castoriadis’ view it was primarily Marxism, particularly as it was reformulated by Lenin, which effected this capture, assimilating the capitalist imaginary into the workers’ movement and reorienting it around issues of organization, technique and production, and upholding a notion of historical necessity ‘capable of justifying everything in the name of ultimate salvation’.<sup>13</sup> As a consequence, Castoriadis argued, workers ceased being autonomous agents and became militant activists indoctrinated into the teachings of a gospel. What had emerged from the quest for autonomy was a new form of heteronomy in the guise of the quest for autonomy, but this is something different from being part of the tradition of heteronomy.

Clearly, Castoriadis broader notion of autonomy could not justify Fotopoulos’ division of the modern political world into two, totally separate traditions. Drawing a sharp line between those in the labour movement who founded the socialist and labour parties and attempted to gain control of and to transform the institutions of the nation state and those people who have sought to develop direct democracies obscures the complex relations between these two traditions. Among all those striving for emancipation as construed by Castoriadis there have been struggles, never entirely successful, with successes prone to corruption or attack and reversal, to overcome elites and for people to aspire to autonomy and to take control of their own destinies. The quest for autonomy in the broader sense is a project that can never be fully realized. Measures of autonomy can emerge from and then be corrupted or subverted by new forms of heteronomy. As Fotopoulos himself acknowledges, even in the direct democracies of the past there were serious imperfections. Autonomy, broadly conceived, has never been completely achieved with representative democracy, but neither has it ever been completely achieved with forms of direct democracy and just as Fotopoulos is proposing a new model to overcome the limitations of earlier forms of direct democracy, it is possible that social democrats, recognizing the failure of earlier or existing forms of social democracy, could propose a new, more democratic model to aspire to.

10. *Ibid.*, p. 63.

11. *Ibid.*, p. 68.

12. *Ibid.*, p. 61.

13. *Ibid.*, p. 64.



---

*Beyond Social Democracy?*

---

**Inclusive democracy vs social democracy? or, inclusive democracy and social democracy?**

Still, the fact that Fotopoulous does not take into account the broader sense of Castoriadis' notion of autonomy does not mean that he is wrong, although given the time devoted by Castoriadis to this issue, it should at least be noted. Still, there is a valid point being made by Fotopoulous. The real problem with those aspiring to emancipation and autonomy within nation states is that apart from their capture by the capitalist imaginary, their aspirations are likely to be frustrated by the size of these societies. Their territories and populations are too big to achieve the more complete form of autonomy possible in the kind of municipal democracy proposed by Fotopoulous. That is, even when people aspire to greater autonomy in such large territories, they are likely to institute inferior forms of democracy (i.e. representative democracy, which Fotopoulous characterizes as a form of oligarchy) compared to those who aspire to democracy in smaller communities, and this must limit their capacity to be autonomous, particularly where the economy is concerned. It is notable that many of the transformations of working class activists described so well by Castoriadis took place in countries where Marxism had little influence. An alternative explanation is provided by Robert Michels, that there is an iron law of oligarchy that overtakes all large-scale organizations, including those of radical political parties.<sup>14</sup> It was this, along with the corrupting effect of markets that could have reoriented the organizations developed by the working class away from the quest for autonomy to developing the means of production. Typically, oligarchs, to legitimate the power they have seized and to compensate those who have been rendered powerless, promise to provide those without power with more to consume. This tendency within all large-scale organizations, irrespective of whether they have been influenced by Marxist-Leninism, provides a justification for the form of inclusive democracy Fotopoulous is defending.

Does this mean that we can dismiss those who aspire to autonomy within the context of the nation state because the degree of democracy and autonomy realizable in municipalities is impossible, and because whatever autonomy is achieved will inevitably be destroyed by the iron law of oligarchy? This brings us to a different problem in Fotopoulous' work. While Fotopoulous' model for a democratically organized community encompassing the economy is radical, it is plausible so long as each community is conceived in isolation from its relation from other communities and societies. It is an inspiring model to strive for. Fotopoulous's proposals for how such communities could relate to each other in confederations, share necessary resources and organize to confront and defeat existing states, is far less convincing. This is a major problem when one thinks of small-scale communities in the past, including those in ancient Greece and Renaissance Italy. These were perpetually in conflict with each other, and as a consequence, were able to be subjugated by larger, more powerful societies. This problem is accentuated in the present by the power of existing

14. Robert Michels, *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy* (Eden and Cedar Paul, Trans.) (New York: the Free Press, 1962).

---

*Arran Gare*


---

states. This is illustrated by the recent history of Argentina. After the collapse of the economy because of US and the IMF sponsored neo-liberal economic policies, a major proportion of the population mobilized in 2001 and 2002, forcing the President to resign and developing forms of direct democracy to take over many of the functions of the market and the state.<sup>15</sup> The members of these democracies embraced autonomy as their basic principle and goal of political and economic action. However, after they abandoned any effort to influence national elections, the discredited neo-liberals were able to regain control of the institutions of the state and then use these to attack the movement for democracy.<sup>16</sup> The whole movement for direct democracy is dissolving under pressure from these institutions. Given the incredible power and brutality of the new liberal fascist regimes led by USA, and considering realistically the prospects of reining in such rogue states, this defect in Fotopoulos' thinking could lead to the dismissal of all his proposals. To avoid this it is necessary to re-examine efforts by social democrats to transform the institutions of the nation-state to bring the economy under democratic control.<sup>17</sup> Castoriadis' broader notion of autonomy facilitates this.

If we abandon the tendency to dismiss the working class efforts to create a social democracy as part of the tradition of heteronomy—and therefore completely separate from the tradition of autonomy—new possibilities open up. Instead of seeing the struggle to reform social democracy and the development of inclusive democracy as rival programs, they could be seen as complementary projects separated more by the corrupt state of social democratic movements than by the social democratic project as such. Fotopoulos is surely right in identifying a major problem in the social democratic consensus that it had led to a massive concentration of power, characterized by an increasing tendency of ruling elites, even where social democratic parties maintained power, to regard government as a technical problem of achieving economic growth. This has been associated with an increasing cynicism towards even the possibility of democracy in any form. It is this concentration of power that enabled the market elites to co-opt social democratic political parties and unions to implement neo-liberal policies and which has led to passivity and cynicism among the working class—which now includes people who used to be regarded as professionals: teachers, medical doctors, academics and civil servants. However, there is no reason apart from its present state of decadence why members of the social democratic movement should not abandon the capitalist imaginary, uphold autonomy as their main goal and then mobilize against global markets. In fact, as is evident

15. Graciela Monteagudo, 'The Argentine Autonomist Movement and the Elections', Znet, [http://www.zmag.org/argentina\\_watch.htm](http://www.zmag.org/argentina_watch.htm).

16. Naomi Kline, 'Election vs. Democracy in Argentina', *The Nation*, 14 May 2003.

17. This does not mean that the commitment to democracy was central to the thinking of all social democrats. In Britain the democratic wing of the labour movement, the 'Guild Socialists', was overwhelmed by the authoritarian Fabians. See S.T. Glass, *The Responsible Society: The Ideas of Guild Socialism* (London: Longmans, 1966). Social democrats with a strong commitment to democracy were more successful in Sweden.

---

*Beyond Social Democracy?*

---

from the recent electoral successes of social democratic parties in Sweden and Germany after they affirmed their commitment to radical policies, that social democrats will have to abandon their previous technocratic orientation and rethink their attitudes to democracy while at the same time working to wrest economic power from international financial institutions and transnational corporations if they are to maintain or regain public support. Ultimately this will require of them that they rethink their attitudes towards economic growth, as social democrats in Sweden appear to be doing. The failure of the German social democrats in this regard will pave the way for their demise, as has occurred in Austria.

With widespread decay of the trade union movement, which increasingly is becoming a business selling services to clients for a profit, such social democrats will have to develop a new base to support their efforts to recapture and transform the institutions of the state. One possible solution to all these problems, and in light of the massive problem of dealing with the power of transnational corporations and financial institutions to withdraw capital and with treaties entered into by governments crippling their ability to deal with these, perhaps the only possible solution, is for social democrats to work towards creating the kind of inclusive democracies proposed by Fotopoulos. Allied with such radical social democracy, the members of these democratic communities would then actively support these social democratic movements. The goal would not be to overthrow the state but to transform it into an institution for producing and sustaining the environment within which inclusive democracies could flourish while at the same time serving to mediate their relations to each other, to the rest of society and, collectively, to other societies. This might not involve an immediate replacement of the market for society as a whole, although it would involve a radical re-regulation of markets, particularly of trade and finance, and it could uphold as a long-term goal the replacement of the market completely by inclusive democracies. At the same time this would involve working through such states to transform supranational organizations such as the European Union and the United Nations to bring them under more democratic control, wresting power from the technocrats while at the same time using these institutions to oppose the power of rogue states like USA and Britain and to control global finance and transnational corporations. Achieving this might only be possible by synthesizing radical social democracy and inclusive democracy.

### **Creativity and agency in history**

Presenting this possibility illuminates another problem generated by Fotopoulos' dualistic thinking, a dichotomy between subjective or creative aspects of history and objective or deterministic aspects of history. In opposing any form of evolutionary justification for the struggle for autonomy, Fotopoulos argues that autonomous forms of organization are creations breaking with past developments (p. 336). Although Fotopoulos grants a more significant place to external constraints and objective conditions on choices for

---

*Arran Gare*


---

action than did Castoriadis, he still presents this as a choice between two possibilities: heteronomy or autonomy (p. 338). This is a somewhat different notion of creativity and of its relationship to the past than that defended by Castoriadis, although Castoriadis is not entirely clear on this issue. To begin with, Castoriadis argued for a notion of emergence in claiming that something radically new came into existence with the quest for autonomy in Ancient Greece that generated democracy and philosophy, and with the rebirth of this quest at the end of the 12th century.<sup>18</sup> That is, it was real creation and as such, could not be deduced or explained from past conditions. However, creation in this sense cannot be equated with deliberate action or a choice, since before the emergence of autonomy people were bound by their roles and except in rare instances were virtually incapable of thinking beyond these.<sup>19</sup> In his characterization of autonomy, Castoriadis emphasized that creation must always be understood in relation to the situation involving other people within which individuals find themselves. As he put it, '[t]he subject in question is... not the abstract moment of philosophical subjectivity; it is the actual subject traversed through and through by the world and by others'.<sup>20</sup> That is, instituting democracy is not simply a matter of people choosing to create a new form of autonomous society from what had been a heteronomous tradition. It is only in a society within which the tradition of autonomy survives to some extent despite the prevalence of heteronomy that people can actually choose to fight for democracy, and under these circumstances, we have to understand the tendencies operating in the present, on others and ourselves, from which, with imagination, we can create the future.

Fotopoulos' voluntarism where the possibility of creating direct democracies is concerned is accompanied by what appears to be an excessively deterministic understanding of the evolution of the market and the actions of its elites in recent history. This is associated with another ambiguity in Fotopoulos' work where allusions to the struggle between the market and society and a superb overview of the failures of the market and its theoretical defence<sup>21</sup> are obscured by simultaneously construing the advance of the market as inexorable. The USA/UK model of deregulated markets is presented as the end to which all markets must evolve under pressure from the international market. Other models are relics of an earlier phase of development. Yet the USA/UK model sent Argentina bankrupt, almost destroyed Russia and crippled a number of other countries. Countries that defied this model and attempted to re-regulate the market such as Malaysia have been far more successful economically. With its neo-liberal policies, USA itself is losing its economic competitiveness. It is de-industrializing. It suffers from a growing national debt and relative decline in labour productivity. Airbus now outsells Boeing, and Japan has faster

18. Castoriadis, *World in Fragments*, p. 14ff.

19. Castoriadis, *Philosophy, Politics, Autonomy*, p. 146.

20. Castoriadis, *The Imaginary Institution of Society*, p. 106.

21. See in particular Fotopoulos, *Towards an Inclusive Democracy*, pp. 248–250.

---

*Beyond Social Democracy?*

---

computers. USA's apparently low unemployment rate is due to the high proportion of its population in prison, or, working in a state of utter poverty. The massive concentration of wealth in USA is associated with the corruption of its political institutions and legal system and even of the economy itself. The shift by USA and its cronies from neo-liberalism to liberal fascism is a symptom of the economic crises they are confronting, crises that are evolving towards a global economic crisis.<sup>22</sup>

An alternative to Fotopoulos' opposition between creativity and a deterministic account of the evolution of the market is to recognize that evolutionary processes, including the evolution of social forms, are not deterministic and can allow for different directions to be taken and also that there can be radical emergence with creative imagination playing a central role in this. I believe that this provides a better grasp of the place of creativity and agency in history. From this perspective, however, it is only when there are major crises that radically new forms, natural or social, are likely to emerge, and it is only when there are pre-existing projects that choice becomes a major influence on outcomes. From the perspective of complexity theory, these are bifurcation points. Which social forms will emerge and, more importantly, survive, will depend to some extent upon the preparedness of their proponents (and nascent members) and how effectively they fight for their goals. There is no guarantee of a happy ending. The Great Depression precipitated a crisis the outcome of which was the triumph of a weak form of the welfare state in USA, Nazism in Germany and social democracy in Sweden. It was the welfare state that came to dominate for the next 30 years until the far less severe crisis of the 1970s led to the rise and dominance of neo-liberalism. It is becoming increasingly clear, even to a billionaire financier like George Soros, that we are facing another major crisis.<sup>23</sup> The collapse of Argentina is just the beginning. A major global depression could open a whole new set of possibilities, ranging from a further development of the liberal fascism being pursued by USA and Australia and to some extent in Britain to efforts to create radically new forms of democracy. My contention is that a form of social democracy embracing radical decentralization of power and promoting and supporting inclusive democratic communities to address the causes of capitalism's downfall and the failures of past social democracies, is most likely to succeed against liberal fascism. It is in this context that the potential of the form of inclusive democracy proposed by Fotopoulos could be realized.

### **Conclusion**

What are the implications of all this for Fotopoulos' analyses and proposals? To begin with, it is necessary to appreciate the importance of Fotopoulou's work.

22. See Robert Brenner, *The Boom and the Bubble: The US in the World Economy* (London: Verso, 2002) and Giovanni Arrighi, 'The Social and Political Economy of Global Turbulence', *New Left Review*, (March/April, 2003), pp. 5–71.

23. George Soros, *The Crisis of Global Capitalism: Open Society Endangered* (London: Little, Brown, 1998).

---

*Arran Gare*

---

Confronting the collapse of communism, Castoriadis wrote:

As it collapses, Marxism-Leninism seems to be burying beneath its ruins both the project of autonomy and politics itself. The active hate on the part of those, in the East, who have suffered under it leads them to reject any project other than the rapid adoption of the liberal-capitalist model. In the West, people's conviction that they live under the least bad regime possible will be reinforced, and this will hasten their sinking even further into irresponsibility, distraction, and withdrawal in the 'private' sphere (now obviously less 'private' than ever).<sup>24</sup>

Castoriadis also predicted that a capitalism without conflict and strong internal opposition, a capitalism dealing only with lobbies and corporations, will not be the benign capitalism of the recent past. We can now see how prescient Castoriadis was. In this environment it is essential that new visions for the future be elaborated. Fotopoulos is one of the few thinkers seriously attempting to envisage an alternative future to the nightmare promised by the further development of neo-liberalism and liberal fascism. Even if the details of this vision need to be modified, Fotopoulos has provided a starting point for further efforts in this direction. My criticisms of Fotopoulos' work should in no way be seen as belittling his achievement. What I am suggesting are revisions that would make the proposals more relevant to the present and more likely to be taken up in the immediate future.

24. Castoriadis, *World in Fragments*, p. 68.

# Author Query Sheet

Manuscript Information	
Journal Acronym	CDNA
Volume and issue	9 (3)
Author name	Sposito
Manuscript No. (if applicable)	11

**AUTHOR: The following queries have arisen during the editing of your manuscript. Please answer the queries by marking necessary corrections at the appropriate positions on the PROOFS. Do not answer the queries on the query sheet itself. Please also return a copy of the query sheet with your corrected proofs.**

QUERY NO.	QUERY DETAILS
AQ1	p. 1: Please check for sense throughout as this has been rewritten in several places in an attempt to improve the English.
AQ2	p. 2: OK as changed?
AQ3	p. 2: OK as changed?
AQ4	p. 2: Preceding sentence does not make sense - please rewrite.
AQ5	p. 6: “anfctionies” OK?—not in my dictionaries.
AQ6	p. 6: “desideratively” not in dictionary.
AQ7	p. 7: “chorus expression” not sense—OK as changed?
AQ8	Ref. 1: Supply year.