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# A NEW EQUALITY

*How can you expect a man who is warm to understand a man who's cold?*
**—Alexander Solzhenitsyn, *One Day in the Life of Ivan Denisovich***

When forty-four nations, led by Britain and America, met at the New Hampshire retreat of Bretton Woods in 1944, there emerged from amongst the agendas, the intrigue, and the backdrop of war a commitment to creating a stable and orderly postwar international system. This was before the United Nations, before decolonisation in most cases, and before the Cold War came to dominate international politics. It was not especially representative of the world beyond the North Atlantic, and the vision of humanity it professed—a universal sanctity of human rights—was a vision frequently honoured in the breach. But trussed into place by wartime pragmatism and an appreciation of the value of mutual assistance, the underlying commitment to establish a binding form of international economic and political cooperation held up remarkably well.

A new international economic and political consensus is required again today. But how are we to fashion it? Comprehensive change tends to be made in the statutes of peace treaties alone. The Concert of Europe was born of the Napoleonic Wars, the League of Nations emerged from the mud of Flanders, and the United Nations and Bretton Woods were themselves products of the Second World War. But these were all diplomatic conversations between, for the most part, the very elites whose whims of national fancy had led their countries to war in the first place. The nearest thing we have to an international consensus today, the post–Bretton Woods doctrine of laissez-faire, market individualism *has* equally been an elite-driven project: a class war this time, waged on behalf of an emergent global 1%, at a time when the left was too hobbled, or too shamed, to resist it. We are familiar now with some of the results.

But perhaps a more democratic consensus does not require the folly of war to inspire it? A rolling, persistent wave of "defiant publics"—from the World Trade Organisation protests in Seattle in 1999 and Genoa in 2001 to food riots in Africa in 2007, and through to student strikes in Chile in 2011 and to Occupy and Indignado camps and sit-ins and lock-outs everywhere from downtown Seoul to Seville's Plaza Encarnación—suggests that we may indeed take hope. It certainly suggests that people the world over are beginning to find their voice. But finding a voice is only half of it, in short. Once found, you then need somebody to talk to. And while rich and poor had once to at least confront one another in time and space, today plutocrats and the precariat rarely do.

The situation today is different, then, from the way that it was diagnosed by Karl Polanyi, as he wrote about the rich countries the last time they were as unequal as they are today (during the interwar period). But his central observation, that it is wrong to believe that the demands of the market float above all other obligations—community, religion, politics—and dangerous to boot, holds still. The idea that market value can and should be the denominator of all else has been dominant again these past few decades. And just as Polanyi noted, it has led us to once again commodify life and thought, to overlook the use value of things in preference for their exchange value, and it has pushed societies close to the precipice once again.[1]

More hopefully, Polanyi also observed, there comes a point—the "double movement", he called it—at which society snaps back to its senses, and it may just be that this is where we find ourselves today. Of course, historically this return to common sense was the prerogative of the Western working class, mobilising to protest the fact that their own conditions of existence were being squeezed out from under them while others grew fat from the proceeds. But sooner or later, everyone finds they have some incentive for changing the status quo, and marching isn't always the way of it. When periodic downturns threaten the life of the economy, business groups will insist on changes to central banking to protect their market positions; when peasants can neither sell their own grain nor obtain sufficient other foodstuffs, they will insist on changes to national food-provisioning systems. When people refuse to accept that markets ultimately determine everything but that they do connect us all, then the extent of our own engagement with them is transformed into a constituency for change. When we cast our regard forwards and not backwards, our common fate, for richer and for poorer, is as one.

We are gradually waking up to this: not just the indignant and the poor in the rich world, who are tired of being lectured at and ignored by the establishment, but also the poor world's middle classes, who wish to ensure that their own recent exit from poverty is a lasting one, and the rich world's middle classes, who themselves now feel the pull into the drop that lies between the world's privileged and its poor. So too are a growing number of the very rich, who are tired of the felt need for security from the rest, tired of the "social cost" imposed by the misery of others, and who appreciate the fact that a world that excludes the majority of its citizens is a world diminished rather than preserved.[2] We all value and cherish creativity, fun, and freedom of choice. It is irksome for all of us to live within the confines of what "security reasons" prescribe. So perhaps we are in luck after all: it seems that we can proceed directly to the peace table.

A great many issues need discussing there. Above all, we need to speak more ambitiously than we like to any more about how we might actually address the underlying structural injustices we have allowed to lock into place. We must convert our era's obsession with international *economic development* into a parallel discussion about international *political development*. If the society we envisage for our children is to involve more than just a few good Samaritans plying their care in a charitable fugue, if it is to be driven by more than the elective two hoots of Internet slactivism, then it requires some form of engaged democratic and institutionalised politics—what Sheri Berman calls "the primacy of politics"*—refitted for global times. We must dare to imagine this, before forces beyond our control do it for us.

But democratic politics (as opposed to politicking) is precisely what has always been kept out of major international fora like the Millen-

*Sheri Berman, *The Primacy of Politics: Social Democracy and Making of Europe's Twentieth Century* (Cambridge: Cambridge University Press).

nium Development Goals, just as surely as it is kept out of the Security Council horse trades and the back-room deals underpinning the post–Washington Consensus. A global funding gap estimated at $180 billion every year says what we really thought about the MDGs; the funding gap for the Sustainable Development Goals, which from 2015 will replace them, is already estimated to be much greater.[3]

A lot of time, money, and public attention have been spent on mapping out this "new" SDG path to development through 2030. But the end result is little more than a shopping list of hoped-for ends (better health for so many billions, only so many deaths by malaria). The numbers are little more than best guesses projected into the future, and they distract from the fact that the underlying political dynamics remain the same. The goal of reducing tax evasion, for example, is slotted away under "strengthening domestic resource mobilisation", which is to say it is still thought of as the problem of Mobutu (and he died in 1997). Corporate tax evasion, rich countries' complicity in tax avoidance, and their arms sales to poor countries in danger of civil war all go unmentioned. In the absence of a wider political framework within which the underlying issues can be raised and tackled at the appropriate scale, powerful countries and communities will lobby and press their way towards a bewildering array of self-serving targets that will, almost by definition, fail to achieve their real goals. This is not the peace table that we need so much as a feast of the barons. We need something else entirely.

History offers us some guidance here—albeit not the tiresomely repeated history of how the West apparently managed to get things right, nor a history that privileges one scale of action (the global, the local, or the regional) against all the others. What is needed is a politics fashioned from the lessons of the past and directed at the challenges of today. It must instinctively be one of informed compromise, driven to implement profound changes that nonetheless stand a chance of becoming *real* change (what the clear-eyed economist Albert Hirschman once called "a bias for hope").[4] It must be a politics that prioritises (it helps to avoid such loaded terms as "delivers") social prosperity over economic growth. And it must be one that enables a deepening, not a hollowing out, of democracy. All of which means that there is, after all, somewhere we might begin to look for ideas. We shall make a leap to that (rather specific) place now, before working back towards what are our more immediately relevant concerns in the sections that follow.

### "A BIAS FOR HOPE"

Social democracy is not a political vernacular that people tend to reach for when thinking of *international* politics. As a political project it is presumed to be confined to a few already-privileged and rather small nations. Its history is far more diverse than this, of course—and yet there are certain core features it is worth us bearing in mind. Above all, and in distinction to its two modern counterparts of state communism and liberal democratic capitalism, it neither was "built in one state" nor has been blindly and ceaselessly "exported abroad". During the Cold War years, communism and capitalism each sought to claim the world for themselves. Social democracy, by contrast, developed largely organically, in many cases in response to specific local concerns, and its strength has always come from not having a predetermined formula to address those concerns. Rather, it adheres to basic democratic principles but is willing to enact sufficiently universal solutions in their name.

Social democratic thinking has never impressed the right; it has never been the first to market—often, of course, for very good reason. It was traditionally viewed with suspicion by the left too, which often saw in it little more than just a long spoon for supping with the devil of moneyed interests. Today, as European nations see the remnants of their public sectors attacked in round after round of austerity belt-tightening, as inequality returns even to such deeply social democratic nations as Sweden, the values of the social democratic agenda are in danger of being forgotten altogether.

It is in precisely this context of crisis that the social democratic project needs inventing anew, at home *and* abroad. It is hard to see how else the world's deeply and differently vested interests will come together to act on the extent of inequality we see around us other than via a politics of compromise. Yet social democrats the world over will nonetheless need to think beyond the borders of the nation-state to rise to this challenge. This doesn't mean neglecting our own troubles as we counter those today; far from it. But if the social democratic gains of the twentieth century are to be in any way salvaged for the twenty-first, then they will require the support of a new wave of like-minded leaders and publics emanating from, and including, what are at present considered much poorer and politically less promising countries.

This requires a difficult admixture of humility and determination. Humility first of all: for if Western welfare capitalism has failed on its own terms, then it was never as good as we might like to recall. From this follows the need for wholesale reinvention. And while there is much to learn from the past here, including much that we have already forgotten, there is equally much to take on board from what is happening, and will be happening, elsewhere in the world. The challenge, as it confronts us today, is one of synthesis between these two.

But determination is equally necessary, since reinventing the social democratic project today, and the modern, international form of welfare capitalism that we need (and that can be realised only through it) will require this new generation of social democrats to first create and then control new international institutional levers—since that is where the drivers of inequality presently derive their freedom of movement. This may encompass everything from reform of the United Nations to experimentation with grassroots movements like Simpol, which channels widely held but hard-to-organise demands for more cooperative international policies onto the agenda of national politicians by means of coordinated individual voting (it is a form of democratic lobbying in which voter communitarianism replaces the power of money). It will involve issue-specific policy work-around, for example, progressive taxes, of the sort recently called for by Thomas Piketty. Together these social democrats must unhitch social democracy from its twentieth-century reliance upon distributing the fruits of high economic growth nationally and take the initiative of defining a twenty-first-century political project of lower, greener growth, of de-commodification, and of social emancipation.

Against such forward thinking, social democracy is usually put on the canvas today in a distinctly nostalgic impasto, a yearning for the values of the past clearly visible in the brushstrokes, most of them depicting mild and unassertive individuals in uniform tones. And yet social democracy has proved over time to be about the best means we have for addressing the crises that under-regulated capitalism repeatedly produces. Its credentials are well worth reappraising, therefore. It is true that social democracy shares with communism an inclusive and public-oriented vision of the future. But it listens to individuals, accords them their privacy, and works with modesty and reason in its answer to the question, what is to be done? At the same time, rather than bottle up old values and place them on a shelf, as conservatism does, it re-creates them in light of public dialogue. It is, for these reasons, a distinctly forward-looking politics tempered by the solid craft of pragmatism.

But what is it exactly that social democracy, or whatever such a project needs to be called today, has to teach us when it comes to the problems of *world* poverty, of uneven development, of global inequality? As the Norwegian academics Kristian Stokke and Olle Törnquist have pointed out, the answer is nothing much at all if we are interested only in the outcomes, that is, in what self-defining social democracies have become and whether we think it feasible that others might copy.* What matters, once we set aside the clichés of dun-coloured Volvos and long summers at the lakeside cabin, are the insights to be gleaned from the history of the *making* of the social democratic project, of the political dynamics involved, and of what these things can tell us about the conditions of existence for transformative democratic politics today.[5] And *that* history takes us back this time to before the Second World War (it takes us to other times and places too, but the following will at least serve as an example).

Scandinavia in the 1930s was, like most of Europe, plagued by crisis, industrial unrest, political radicalisation, and poverty—a situation familiar to many parts of the world today. Sweden was a "cauldron of conflict", in the words of one expert, and just thirty years earlier, in 1900, had been Europe's most unequal country. Governments came and went across Europe, in fact, as people lost faith in capitalism and then, increasingly, in the parliamentarians overseeing it. Norway and Sweden were no exception during this period: they both went through twelve prime ministers in fewer than fifteen years. What use was the vote when those you voted into power could do nothing to help you?[6]

*Kristian Stokke and Olle Törnquist, eds., *Democratization in the Global South: The Importance of Transformative Politics* (Basingstoke, UK: Palgrave Macmillan), 2013.

This was, of course, the beginning of the slide to fascism in many countries. And yet in Scandinavia, it was the beginnings of the social democratic project as a political force to be reckoned with. Unemployment was no less there, the agricultural crisis was just as severe, and racialised national ideologies—typified by the likes of Rudolf Kjéllen—were present. The difference was in the politics pursued by the parties themselves. Recognising that everyone was vulnerable to the economic crisis, the social democratic parties reached out beyond their core worker constituencies to the middle classes first, and then to the farmers. And they preached social unity as the means to holding a moderate political line in the face of external economic pressures.

This put the Scandinavian social democratic parties in a different position to others in Europe during the interwar period.[7] They offered sanctuary from the forces of economic and political destruction, and by defusing the tensions between those whose interests were variously (and quite differently) tied to capital, labour, or land, they substantiated that offer of sanctuary while also creating the political space necessary to come good on their own promises of modest improvements in material conditions. In the famous "cow trade" between workers and farmers in Sweden, for example, the Swedish Social Democratic Party (the Socialdemokratiske Arbetareparti, or SAP) accepted protectionist measures for some agricultural products in exchange for farmers accepting progressive labour policies. Compromises such as this helped underpin the social democratic era to come. They did so by giving people confidence in social democracy's public-spirited formula: by investing in collective needs first, citizens would reap a more reliable suite of personal benefits later.

The effect was not only social stability but economic prosperity too.[8] By increasing the competitiveness of the export industry, the social democrats created more jobs. By ensuring investment across sectors, they reduced the unevenness of the economy in general. It was good for workers (through pensions, social security, housing, education, and unemployment support) and good for employers (wage levels were based on what employers could pay given their international exposure, there was greater industrial peace, and the state took care of workers' social needs).[9] All of this created the conditions for more flexible and adaptable labour markets, including the take-up of hydropower—encapsulated by the vast Norsk Hydro station at Vemork, itself later immortalised in the 1965 film *The Heroes of Telemark*. And it gave a majority of people reason to support the democratic regulation of society regardless of who owned or controlled exactly what within it.

The dynamics were slightly different in each country. The social welfare reform that emerged out of the Kanslergade Agreement in Denmark in 1933 came at the height of the interwar economic crisis and was part of a wider compromise package to save the Danish economy. It was a coincidence, but a telling one, that on the same day that the agreement was ratified, Hitler was appointed chancellor of the Reich in Berlin, convinced that he had a better way of saving the economy.

In Sweden, the politics of grand compromise were pushed forward with the so-called Basic Agreement—essentially a commitment to the spirit of give-and-take in labour disputes—signed by the employer and labour union associations at the unprepossessing seaside retreat of Saltsjöbaden in 1938. "In fear of death one commits suicide," one disinclined wag at the Transport Workers Union is supposed to have said at the time. But in truth the Agreement was the foundation for the relative industrial harmony that would mark Scandinavian industrial relations throughout Europe's Golden Age.

In Norway, the empowerment of women as well as workers was key. Women workers marched in 1905 and achieved limited suffrage in 1907, with full suffrage coming in 1913, some five years before it came to Sweden. The need to build up an informed citizenry was recognised as equally important to women's suffrage and was met with the introduction of near-universal education policies at the end of the nineteenth century (very early in European terms).[10] That those policies were universal served another purpose, however: they enabled the government to appeal to those who lived in the far north of the country, who might otherwise be tempted to turn their allegiances away from Oslo, far to the south.

We are perhaps too cynical for this sort of grand policy-making today, and perhaps too wary of the paternalistic streak that can lie behind it. But health insurance (Denmark had 65% coverage by 1930), national pension plans (Sweden enacted the first in 1913), and unemployment insurance (Norway had 50% coverage by 1914) all helped bind those societies together. This insulated them from the divisive attractions of fascism, then quickening across the rest of Europe and provided the basis for economic prosperity down the line.[11] Supporting small-scale farmers when it was obvious that they were not the economic future also enabled more people to be ready for that future when it did arrive. Economically speaking, neither the laissez-faire policies of the nineteenth century nor the late twentieth-century workfarist reincarnation of the same have proved anything like as effective over the long term.

The Scandinavian countries thus each faced slightly different challenges and took different paths to resolving them. But in every case the achievement was two-fold. First, it enabled them to identify and develop a clear sense of national identity and collective responsibility, sufficient to override the economic, and soon political, crises of the era. This was achieved by expanding the range of politically enfranchised individuals and core interest groups, by affording greater legitimacy and capability to the state, and by offering everyone a reason to buy into that state in the first place. By using the state as a site of democratic contestation, rather than just a glorified butcher's hook on which to hang this or that predetermined policy, farmers were kept on the land and workers were kept at work—in contrast to elsewhere in Europe.

Second, these states made full use of what has since become a characteristic feature of Scandinavian social democracies: an emphasis on universal and preventive policies. The principal of universality distinguished these states from other approaches to welfare provision at the time, both in Europe (where the International Conference of National Unions of Mutual Benefit Societies and Sickness Insurance Funds was launched in Brussels in 1927) and America (which introduced its Social Security Act in 1935). Both of these were strongly means tested and targeted only certain groups of citizens (those of industrial cities in the case of the SSA).[12] But in Scandinavia, assistance was not about alms based on a calculation of diminished citizen status; assistance was a much more positive policy, intended "to have an integrative function, elevating the citizen to full citizenship".[13]

The commitment to more statutory forms of welfare provision was common to both sides of the political spectrum in Scandinavia. Sweden's national pension plan was put forward by the liberal-conservative government of Arvid Lindman as a ploy to retain domestic workers who were emigrating in ever-greater numbers to the United States. The political case for these policies, in short, was made up as these societies went along. Indeed, had the Scandinavian countries mapped out pre-emptively, in a series of five-year plans, what they would go on to achieve, the entire social democratic project would have been greeted with hoots of derision on both sides, because none of these countries was starting from a position of economic or social strength at all. Probably, it never would have happened. In 1900 half of the Norwegian town of Stavanger were still canning fish, and most of the Scandinavian countries remained largely agricultural into the 1930s. Up until 1910, Sweden was possibly the most indebted country in the world.[14]

And yet it soon became clear that a politics based upon the universal provision of social protections, the enfranchisement and incorporation into the political processes of previously under-represented groups, and the primacy of a politics of grand bargaining would not so much hinder prosperity and growth as much as be an eminently acceptable means of securing those.[15] A sense of quite what was achieved comes through in a diary entry by the Swedish prime minister Per Albin Hansson, written at the end of Sweden's "harvest season", a period from 1937 to 1939. It was 1937, Hansson began, that really "loosened things up":

> That is when a pension amendment indexed to the cost of living was enacted, child support, mothers' assistance, maternity assistance, far reaching improvements in preventive mother and child care, the housing loan fund. The regulation of farm labour was improved. 1938 gave us compulsory holidays, the national dental plan, and the Institute for Health Insurance. 1939 saw the regulation of working hours . . . [and] housing for pensioners was created for the aged.[16]

As he perhaps did not need to conclude: "In this period Sweden was ahead of Norway, and, indeed, most European countries."

But the other Nordic countries were not far off. Finland, which for some time had lagged behind Sweden, Denmark, and Norway, and which as a result had found it hard to mobilise capital for development before the war, released money from its tax-funded national pension scheme in the 1950s to build power stations and a national economic grid. Similarly, in Sweden, the proceeds from the world's first public pension scheme, which had been introduced in 1913, later provided housing for the new urban population that economic development (and agricultural decline) was drawing into the cities.

Scandinavian countries enjoy the benefits of all this today still, for all that their current crop of leaders is more concerned to coast on the earlier gains than to expand on them. For one thing, these countries continue to privilege a model of dual-income households, as compared to European and American welfare systems, which tend to assume a male breadwinner and a female homemaker, and there are economic and productivity gains to be had here. It has recently been estimated, for example, that if full-time female participation in the Norwegian labour force were reduced even just to that of the OECD average, the country's net national wealth would fall by a value equivalent to Norway's total petroleum wealth.[17]

For another, while mature social democracy in Scandinavia developed, historically speaking, into a political model that was largely about the management of industrial relations, the *political origins* of the wider social democratic project—and above all the constellations of social movements, political compromise, and social policy formation that it entailed—were formed by a broad array of interests brought into a democratising political order (not necessarily a fully democratic order).[18] In its broadest sense, then, social democracy was really about ensuring that social inclusion was always the tool with which to cut the cake of economic growth—or to share out the costs when the cake gets smaller.

From this flow several important observations. First, it is possible both to "democratize before democracy" and to provide "social assistance [that is, social policy] before the advent of the welfare state"—and perhaps even before a widespread commitment to it.[19] But both of these things rely upon affording people representation and a real voice in policy decisions, not the "empowerment" of so many failed policies in poorer countries and regions, and not the "trickle down" of so many failed policies in wealthier parts of the world: a trickle-down which, as Ann Pettifor points out, is invariably dwarfed by income from rents heading the other way.[20] Both also supply the conditions for economic prosperity in good times as well as bad. It is not by chance that social democratic countries today score highest on both quality of life and competitiveness rankings.

Second, it is apparent that this scale and type of political change is cumulative, not revolutionary. One cannot put all these pieces together in one stroke. Accordingly, there was not a single moment of compromise in Scandinavia's history but rather an emerging history of compromise. The September Compromise of 1899 in Denmark (between employers and employees), the December Compromise of 1906 in Sweden (between the Employers Association and the Confederation of Trade Unions, known as Landsorganisationen i Sverige, or LO), the Iron Agreement of 1907 in Norway (securing a minimum-wage principle in the metals industry): these came first. They were followed by a series of legal contributions, such as the Industrial Disputes Act of Norway in 1915, with its principle of compulsory mediation. Only then could the Main Agreements (in Norway in 1935 and at Saltsjöbaden, Sweden, in 1938) realistically take place.[21] In short, if inequality is made, not found, in the world, so too are the norms, values, and institutions with which it may be reduced.[22] But all this needs a longer-term political perspective to take effect.

Third, and related, is the importance of universalism. Universalism is one of the most effective ways of breaking the monopoly that dominant groups and classes hold over the policy-making process, at least if we wish to avoid subjecting them to Robespierre's form of political morality. Universalism underpins what Hannah Arendt usefully termed our "right to have rights".[23] If we want people to treat one another equally, then all must have equal opportunity to determine the rules by which they shall be governed. As the Danish social scientist Gøsta Esping-Andersen puts it, "The beauty of the social democratic strategy was that social policy would *also* result in power mobilization."[24] In short, cooperation became so important in Scandinavia not because conditions there were so good, but precisely because they were bad, because there was economic crisis, and because the answers to these problems were not at all obvious to any one person at all.

## FROM ECONOMIC GROWTH TO SOCIAL POLICY

Social democracy is on one level, then, a sort of institutional sticking plaster: a contrivance beneath which the tissue of human solidarity can form, prior to its exposure to the market. After all, even Crusoe took with him to his island a store of accumulated nurture. It has become fashionable today to decry the social democratic “nanny state”. But social democracy as a political project says nothing itself about the sorts of things people should do with their freedom. It merely wants to ensure that as many people as possible get to choose what to do with it. So the question is, why do we not see more of this around the world today?

The most common response to this question is to generalise on the basis of a geographical conceit. This is the view that social democracy is the product of small, culturally homogeneous northern European states and has little to do with the realities, above all, of poor nations. Yet the average population size of Latin America’s nations (including the French overseas departments) is only around 23 million, whereas for Africa’s fifty-six self-declared nations it is slightly less, at around 17 million. The population of Nigeria—the most populous African nation—is still less than half that of the United States. The population of the Democratic Republic of Congo is only a few million more than that of France; Sierra Leone’s is around that of Norway’s, South Sudan’s that of Sweden, and Mauritania and Namibia’s together about that of Denmark. The one truly vast capitalist country, India, is a federated polity, whose vast population of 1 billion has long been addressed primarily at the level of states (where the figures again resemble those of the European average).

A second common response is to claim that poorer countries simply can’t afford the luxury of doing what wealthier nations do; therefore, they need to focus on being more competitive if they want to survive in today’s global economy. But as we have seen, the Scandinavian countries were themselves riotously under-developed when social policies were first introduced there. Moreover, many countries have in fact tried some version or other of what the UN Research Institute for Social Development calls “welfare developmentalism”, and they might have done more of it had they been allowed to. In Mauritius, for example, social spending is 40% of public expenditure, which is better than in many wealthier countries.[25] Meanwhile, over the past twenty-five years, Brazil has seen one professed social democrat (Fernando Cardoso) hold two terms before being replaced by a more radical version of the same ("Lula" da Silva) who was himself duly replaced, after two democratic terms, by a yet more radical version of the same (Dilma Rousseff). In short, it seems reasonably clear that large numbers of people in lower- and middle-income countries think that social democratic policies are precisely the sorts of policies they need. As the years of neoliberal ascendancy finally fade to black, their voices and experiences are again beginning to be heard.*

Even a no-nonsense liberal like John Podesta, Bill Clinton's onetime chief of staff and more recently counsellor to Barack Obama, has finally come around to this view. Social policy is essential, Podesta wrote in the *Guardian* in May 2013, not only for providing a "floor of protection" for the poor but also as a form of "cost-effective insurance" against the risks that confront us *all* in today's world.[26] In this article, he was speaking in his latest incarnation as the US representative to the High-Level Panel of Eminent Persons on the Post-Millennium agenda. To wit, he concluded: "We can end global poverty, but the methods might surprise you." They should not surprise us, however, since there have been times and places when those methods were taken for granted. Indeed, since the financial crisis, more and more poor countries have been increasing their public spending allocations (on things like health, housing, and education).[27] But if social policy is indeed the core of what we need to reduce inequality, then it is worth being clear on what exactly that might be taken to mean today.

"Social policy" refers to any number of systematic public interventions carried out in the name of protecting citizens from risks and vulnerabilities so that they are best enabled to realise their own particular ambitions.[28] It is a means of ensuring justice between people by promoting fairness in the distribution of resources (such as income) and

*Richard Sandbrook, Marc Edelman, Patrick Heller, and Judith Teichmark, *Social Democracy in the Global Periphery: Origins, Challenges, Prospects* (Cambridge: Cambridge University Press, 2007).

services (such as health and education). In theory, therefore, social policy ought to hold some considerable potential for development: securing a more sustainable form of economic growth by enhancing processes of democratic inclusion. As the former director of UNRISD Thandika Mkandawire points out, social policy can even be put to the task of nation-building, since it helps foster a sense of collective identity without the need to go to war. It demands of citizens that they become more peacefully versed in the habit of reciprocation.[29]

Social policy is both a useful and a progressive tool, then. Yet it needn't be something the left alone plants a flag upon, since it has frequently been used as a means of stabilising societies at times when the molten mass was seen to be getting just a little too liquid. It was Otto von Bismarck who introduced social policies to boost industrialisation and undermine the appeal of socialism in Prussia in the mid-nineteenth century. And that other conservative reformer, Eduard Taaffe, did the same in Austria to stave off what he saw as precipitate demands for democracy there.[30] These are not experiences to replicate, perhaps, but they are at least illuminating.

We stand to learn more, however, from the emergence of social protectionism elsewhere in the world. A long way from imperial Austria, social policy was an important part of South Korea's rapid national development in the post–Second World War era, in which experience private actors played an important role in the provision of social protections. Indeed, companies in East Asia more generally enabled the adoption of accident insurance protection for workers there, long before those countries had reached a level of development comparable to that of Europe.

South Korea also made clear the importance of land reform and the restructuring of society that it enabled, since it was the US-overseen land reform—modelled closely on earlier policies in postwar Japan—that broke down the structural basis of the old social order and fostered improved social mobility. As a result, poor peasant families were able to send their children to school to benefit from educational reforms, which itself played an important role in keeping income inequality down during the country's rapid economic growth in the 1980s.[31] This, then, apropos our earlier specification of the problem, was democracy before democracy.

In Taiwan, too, a limited form of welfare was provided by the major domestic corporations, by whom the majority of higher-skilled workers were employed, while the state operated as a sort of watchdog to the process.[32] It was an arrangement more than a system, and it left many workers uncovered, but it at least had the effect of embedding a culture of social protection into the heart of national economic policy-making. Here, then, was welfare before welfare.

Even in Africa social spending as part of a series of "national questions" was pursued with some vigour in the 1960s. This was a decade during which the level of economic growth across much of the continent permitted a certain reinvestment of proceeds. It was also a decade inaugurated by the murder of Patrice Lumumba in 1961 and so a decade in which social welfarism in Africa was not fated to last. During his short time in power, Lumumba had led his newly independent nation of the Congo with a strong national commitment to his people as a whole, and not to one ethnic group in particular. Following Lumumba's murder, however, and the bloody international squabble over the mineral rich Congolese region of Katanga that ensued, the country was walked a step in precisely the wrong direction. So too were would-be democrats elsewhere in the continent given an object lesson in the fact that democracy, for them, was not going to pay.[33]

Given the intense international interest over the Congo and its resources, its subsequent descent into a pro-Western puppet state under Joseph Mobutu was always something of a special case, perhaps. But the Congo proves a more general rule too: that the moment social spending—one of the few tools with which disparate ethnic and cultural groups could be bound to a national rather than ethnic community—was replaced by spending on armed force and security, found themselves one step further removed from any potential returns on their resources.[34] This is partly why, even today, for every percentage point increase in gross domestic product, less riven nations like Malaysia and Vietnam have reduced poverty ten times faster than African countries like Tanzania.[35]

It was in Latin America, though, from as early as the 1930s and at a time of recession not all that removed from the Great Depression, that something more clearly approaching a "developmental welfare state" most clearly came into being.[36] Mexico began introducing social provisions such as public education in the 1930s. Pension programmes for urban workers had been introduced in the nineteenth century in Argentina and Uruguay. And in Costa Rica, which is today one of the highest-ranking Latin American countries across a range of indicators, social policy was a central part of the country's development strategy from the 1950s onwards.

To be sure, Latin American nations were at an advantage here: not least, their borders had been less artificially and less recently imposed upon them than was the case in Africa or East Asia. In Latin America state boundaries were more clearly "national" in the Western sense of the term and allegiances to said state were accordingly more "natural". This made the task of national social spending easier. As did the existence of the regionally focused Economic Commission for Latin America and Caribbean, which always refused to believe in the idea of standardised "stages of development" and whose research and policy advice were informed by an underlying Keynesianism. But each of these cases still serves to highlight a basic point: the political process of social policy provision as a central part of more democratically minded economic development strategies is every bit as fundamental to creating the conditions for social prosperity as are the property-endowing institutions beloved of Daron Acemoglu and James Robinson, of the aid beloved by Jeffrey Sachs, and of the market freedoms championed by William Easterly.

Nowhere has this been clearer than with Brazil's attempt to scale up to the national level the kind of democratic decision-making over public policy that is usually seen at the local or municipal level. Brazil provides us with an important series of political lessons in what can happen when basic, universal forms of social policy are given their due. Simply by ensuring an effective universal pension scheme, for example, Brazil moved 18 million people out of poverty in 2001.[37] It has since reduced the percentage of the population living in extreme poverty from 14% to 4%, in just ten years.[38]

The Brazilian experience has limits, of course. Its much-hyped cash-transfer programme—the Bolsa Família—is a targeted rather than universal programme, and while the government has given people a greater say in matters of social policy, it has not always given them the money needed to realise those ambitions. But what we are interested in here, as with the Scandinavian experience of the 1930s, is less the substance and achievement of any one particular initiative than the political process through which they came about. Long before Lula, before Brazil was an emerging power even, the now-governing Partido dos Trabalhadores began its own rise to power as a force in *regional* government. The party's success lay with its ability and willingness to incorporate social movements and actors from outside the party. This became known as *o modo petista de governar* (the PT way of governing)—an approach to government that unconsciously echoed the policies of the Swedish SAP or the Norwegian AP in the 1920s and 1930s.[39]

The PT's efforts to reach out to the people were complemented by a rise in the popularity of social movements coming the other way: most famously, from 1989 onwards, with the participatory budgeting forums for municipal planning established in Porte Alegre (in which citizens met in various year-round assemblies to identify priorities as they saw them and to allocate a certain portion of municipal funds accordingly). This same ethos of participative policy-making came to be increasingly applied at the national level as well, leading to the creation of Brazil's Unified Health System in 1990. Many of Brazil's later social and economic successes—despite the country's ongoing problems—have similarly been based upon the gradual building up of this political platform and the growing trust (in a post-authoritarian period, lest we forget) it has enabled between citizens and the states.[40]

Costa Rica is another case in point. One of the poorest countries in Central America prior to the Second World War, today the country is sometimes described as the Switzerland of Central America. The turning point was set in train in the 1950s, when the National Production Council and National Wage Council were established to ensure that grains needed for a basic diet were affordable for citizens and that minimum-wage floors were set in place in different industries. The National Housing and Planning Institute built dwellings and provided subsidised mortgages for people to purchase them. Meanwhile, a road-building programme doubled the length of the nation's highways.[41]

The result was a mini–golden age, with Costa Rica posting some of the highest growth rates in the continent along with an "exceptional" record on social progress. Poverty and inequality were reduced. And this was despite oil shocks, despite the country being temporarily cut off from some of its major trading partners by a war between its neighbours (replicating without succumbing to the presumed major problem of landlocked nation status) and despite external aid in the form of US Agency for International Development payments and "advice" from international financial institutions undermining the model somewhat in the 1980s and 1990s.[42]

The Indian state of Kerala offers yet another example. Kerala is not rich. It struggles with a per capita income of $500 per year. And yet it has achieved a 93% literacy rate and a life expectancy of seventy-two years. It is also the Indian state that has seen the greatest poverty reduction in recent decades. Why? The answer is not a sudden upswing in economic growth or investment but has a lot to do, rather, with the extension of social welfare to all, including the many informal workers, regardless of ethnicity and caste. The result is a state where violence is substantially lower than elsewhere in India, where electoral participation is between 15% and 20% higher than in the rest of India, where what was once India's most rigidly enforced caste system has been shelved (officially at least), and where Muslims and Christians take part in elections together.[43]

If this is promising, it is also no more than what Gunnar Myrdal foresaw in his 1974 Nobel Prize acceptance lecture, "The Equality Issue in World Development". He followed that up in 1978 with a lecture in Saltsjöbaden, appropriately enough, on "the need for [social] reforms in developing countries".[44] Myrdal saw that reform of both the state and the market in poor countries was necessary in addition to aid. That perhaps hardly distinguishes him from the Washington Consensus train of thought. But having himself been one of the key thinkers behind Sweden's postwar economy, he recognised that politics too must be reformed in such a way as to control the market: more equality would result in greater growth, and political interventions like land reform would be required to get to greater equality first.

Societies need to find ways to protect themselves from themselves, in short. We are none of us perfect decision-makers, and we should not be expected to be sensible every day of our life: for all that the champions of "poor economics" celebrate our innate wisdom and market savvy, sometimes it's nice to have something to fall back upon. Myrdal would likely have looked with favour upon recent developments in the Philippines, for example, where public financial management reforms have given a once subjugated civil society oversight of the budget cycle (driven this time largely by non-governmental organisations).[45]

What is necessary, then, is not that we tell poor countries how to develop, as the World Bank and the International Monetary Fund and the Millennium Development Goals have all developed a comparative advantage in doing, but that we encourage their efforts towards reform in light of their own particular needs and historical experiences. That should involve progressive tax policies (taxing wealth and incomes, not goods, and ensuring that the proceeds are spent to mobilise the capabilities of the poor), government intervention (with active states promoting employment, regulating markets, and opening themselves up to civil society as they arbitrate between classes over conflicting interests); it should involve redistribution (with welfare states working on the principal of universality, or as near as possible to it, so as to protect citizens against loss of income, ill health, and loss of land); and it should involve active social policies (countries need not just schools but also school *systems*, and a commitment to training and paying the teachers to work in those systems).

None of these policies derives from development. They are how countries get *to* development. And as UNRISD makes clear, getting to this form of welfare developmentalism would mean precisely getting back to some of the more successful experiences of post–Second World War national development, before they were shaken by the political earthquakes of the 1970s and turned over into ruins by the neoliberal consensus we have toiled under ever since.

Such policies are more nearly within our reach than we might think. But to speak of such things is not, to avoid a likely misunderstanding, to raise the spectre of "global social democracy". The examples here are of primarily national and subnational achievements. They offer no generalizable rules, and it is far from clear that we should try to emulate them at the global scale, even if they did (this for the same reason we do not need to be trying to get back to some presumed pristine version of the Western welfare state: there is a reason it is in crisis). They do, however, offer a wealth of insights: above all regarding the nature of the political innovations required to underpin social policy approaches to development.

It *does* seem reasonable, therefore, and as former Brazilian president Fernando Henrique Cardoso once put it, to speak of "global social democracies", that is, states with social democratic systems that are in tune with global realities and that are not just protectionist enclaves, states that are, in that sense, *socially* globalised. Such global social democracies are a chimera in today's world, of course. But they give us a shape and form to work towards: not anti-globalisation but not uncritically "for" globalisation, either. They recognise that the outcomes of their hard-won social policies offer certain advantages in a highly competitive world: skilled and healthy labour forces, quality infrastructure, orderly industrial relations.[46] They recognise that the question is really, which globalisation do you want? And they know, from experience, that the answer is "Something you can give yourself a say in". Individuals cannot change globalisation directly. But by changing the nature of the policy regimes that manage it, we can at least keep it from becoming those things we don't want it to be.

There are a good many obstacles confronting poorer countries in this task, many of them historically grounded, as we have seen. Often a country has had social policy, but of such a scant or crooked variety that the idea itself is tainted: colonial-era welfare, say, that either benefited the governing classes alone or was used to curry favour domestically, if not to entrench existing fault lines between different races and ethnic groups. In some cases, as in India, there are simply not enough funds available for nationwide social spending at present, and this is in no small measure because not enough citizens pay their taxes yet. In Liberia the money for social spending *is* collected, but it goes towards paying off the debts previously incurred by local elites. For many countries, further questions arise from the fact that certain structural conditions for social policy delivery (and social democratic politics as a means of achieving that delivery) either do not exist or exist in highly modified form. To take India again, for example, there is not so much a unified working class as a vast and largely unregulated "informal" labour force.

There are a great many obstacles confronting us in rich countries too. But the answer is not to give up hope in light of these challenges, or to believe that we are best off fixing them in isolation, but to take note of three core lessons from the social democratic project of the twentieth century—compromise, distributive fairness, and democratic deepening—and to find ways of reinventing them for the global age. This is no place for details, but we could do far worse than to begin trying to imagine how that might look, beginning with the political art of grand compromise.

## A JUST MEASURE OF MORALITY

A much greater gift than sympathy that today's rich nations could give the poor world would be to use the leverage we have over our own states and corporations, and the greater say that we have in the international institutions which govern the relations between them, so as to even up the global playing field. Tax loopholes are an obvious place to start. But closing them is not quite as simple as boarding up the thousands of tax havens around the world as if they were moonshine joints. Many tax havens are sovereign states themselves, like the Cayman Islands, whose only comparative advantage is, in effect, its competitively low taxation. Closing these loopholes requires a globally consistent way of regulating the corporations who place their profits there.

But this in turn requires that our own governments be convinced that we, as rich-country citizens, actually care about any of this—that we think it is of some importance whether they are to act or not. "You can't just point at things and tax them", said the pop star Myleene Klass, in a famous television exchange with the leader of the British Labour Party. And she is quite right, of course. But some things are so obvious they need no pointing at. They just need taxing. To wit, the current failure to regulate global tax loopholes is undermining the Exchequer of rich countries as well, to the tune of around $13 trillion a year.[47] This makes it all the more inexplicable that in 2012 the British Treasury introduced yet another tax loophole—a relaxation of "controlled foreign company" rules—that makes it easier for British multinational companies to avoid paying taxes both in the poor countries where they earn their profits and at home.[48] So we are naïve to rely on our governments alone to sort this out. International rules are needed too. But this can't be done in one step. The Organisation for Economic Co-operation and Development has launched an action plan on "base erosion and profit shifting". The African Union needs one too.[49] We must build from there.

But as often as not, what is needed are not new rules so much as a proper application of existing ones—to keep pace with the widening scope and scale of financial activity, for example. Whenever interest rates slacken off in rich countries, a vast amount of capital takes shelter in emerging economies, usually for just a short while. This flood of digital money crashes domestic exchange rates and wreaks a distinctly more tangible havoc: it makes local industry uncompetitive, it leads to hikes in food prices, and it undermines (ironically, given the source of these problems) investor confidence in the country.

Poorer countries, then, should be afforded greater power to control such volatile capital flows across their territory. Brazil, Argentina, and Costa Rica have all experimented with capital account regulations since 2008, the better to enable them to react to price volatility and to give their governments the room for manoeuvre they need to make such monetary policy decisions as their national economy requires.[50] But they require international support for more fully fledged regulation of the global monetary system to succeed. As it stands, financial interests and richer nations reject these policies as "protectionist".[51] When Dilma Rousseff asked David Cameron and Barack Obama to limit capital flows coming from their countries into Brazil (a product of low interest rates and slow growth in the North), because they were making it harder for Brazilian firms to export and jobs were being lost, both refused, leaving the Brazilian finance minister to scramble to put together an overnight response (the best he could do was impose a modest 2% tax on foreign purchases of stocks and bonds).[52] The world is indeed not flat, for all that some would make it so.*

*Thomas L. Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Straus & Giroux, 2005).

The regulation of capital account flows is central to securing a more stable and just international order: currency wars cannot be the way of it. Yet we are presently moving in the opposite direction. Rich countries today pre-emptively seek to resist *all* forms of regulation on new transactional forms, just as they have continually sought to limit the development of capital exchange controls since the 1970s. The IMF's grudging acceptance of "last resort" measures, which are supposed to address this, is scarcely worth the paper it is written on. This is short-sighted as much as anything else: the reason for low interest rates in the rich countries in the first place was to try to encourage growth and productivity there, not speculation abroad.[53]

Again and again we are told that this is just how the global economy is. Yet when we look at things historically, we know this is not true. We know that money's freedom to move across borders is historically very recent (just as present-day tax rates are historically extremely low).[54] We are told that such regulatory measures that, even the IMF acknowledges, could improve global welfare would raise "global costs". But that is only partially true as well: such measures would raise costs only for certain financial interests: almost all the rest of us would benefit. Such claims of incapacity by Western state and market powers are nothing if not disingenuous.

Disingenuousness is a habit of ours that we would do well to take note of and address. As we have seen, for all that Alan Greenspan—along with Bill Clinton and Tony Blair—painted the 1997–1998 financial crisis as being Asia's "fault" (and successfully, it might be added: we remember it even today as the "Asian crisis"), it was in fact largely a Western private-sector debt crisis that exploded into the public domain in Asia. Yet if it wasn't Asian in its origins it was nonetheless Asian in its effects. In Thailand, for example, it resulted in an economic contraction of 11% in 1998 and a 40% increase in the poverty rate.[55] But Western financial interests—and the governments of the United Kingdom and the United States in particular—that were then, as now, best positioned to do something about this instead chose to do nothing at all. And so it spread to other parts of the world as well. There simply isn't anywhere else to turn here. As we might say, modifying just a little that apocryphal quote attributed to many an American president, "The modern finance industry may be a son of a bitch, but it is *our* son of a bitch."

There are certain areas, then, in which rich nations have not just a special responsibility to act but a far greater capacity to act too. And for all the talk of empowering the citizens of the poor world, it would be helpful also if the citizens of rich countries had a more direct say in such international rules and regulations as affect us all. It turns out, for example, that most citizens of rich nations are more in favour of debt write-offs for unjust debt burdens in poor nations than their leaders are, and with good reason too: in those countries that have qualified for debt relief, primary school enrolment has increased from 63% to 83%; in countries that have not, like Sri Lanka and El Salvador, more than 25% of the national budget still goes towards debt payments.[56]

Getting our own house in order is a first step, then. But we need to go further. We need to address, in all seriousness, the welfarist challenge as it was first raised most directly by the Cambridge economist A. C. Pigou just over a century ago: that of increasing the share of income going to the poor (the question of distributional fairness) and of reducing the variability of income itself (the question of macroeconomic stability), a challenge it now behoves us to solve internationally.* Economic welfare is but a part of welfare more broadly, as Pigou himself recognised, and as we are by now familiar with in rather more concrete terms. Inequality too is about more than income inequality. On both counts the need for a form of "global public economics", as Tony Atkinson calls it, has never been greater: and so it would seem a good time to speculate a little as to just what, exactly, that might involve.[57]

### GLOBAL PUBLIC INVESTMENT: A CASE STUDY AND A STEP IN THE RIGHT DIRECTION

What if we were to take the present impetus and rationale of the aid industry and transform it into a system of global public investment: a system with the potential to benefit us all rather than just a select group of means-tested recipient countries?[58] In some senses this is not as

*A. C. Pigou, *Wealth and Welfare* (London: Macmillan, 1912).

novel an idea as it may sound. The Marshall Plan was an act of international redistribution writ large from America to Cold War Europe, and one from which most Europeans today are just the latest generation of inheriting beneficiaries. As it carries that baton forwards, the manner in which the European Union today distributes resources amongst its quite variously developed regions, reaching individuals and communities in parallel to the policies of national states, is even closer to a working example of how public spending across national boundaries might work.

While falling some way short of the sort of "global welfare" that the right will cry "Foul!" and "Impossible!" at about one and the same time, global public investment may be best thought of as a form of distributional spending that actually seeks to avoid the need for constant aid handouts, which are resented not only by the right but also by many of those receive the aid. More specifically, global public investment would collect together a range of funds derived from various wealth-creating activities and places, and then channel them into longer-term, managed investments in basic public goods and services, *wherever those goods and services are needed.* It would be primarily an inter-governmental initiative, with the overall level of finance to be raised set independently (though nation-states themselves would be able to determine the actual tax base), and it could take various forms: a tax levied on entities, groups, and institutions, for example—though individual tax receipts could be factored in as well.

Within nations, public spending of this sort is entirely uncontroversial. It is widely accepted that governments will redistribute resources so as to channel resources to regions and individuals in greater need. For example, Brits don't ask (too many) questions when the government invests in public infrastructure in "the regions", instead of, say, the South-East. Norwegians don't give much thought to the fact that their government sends trainee doctors to the round-the-clock winter darkness of Alta and Kirkenes; in a "free market", the Finnmark region would otherwise have very few doctors indeed. We accept that much of what we pay in taxes will go to people and places we will never see, and that, in fact, is one of the basic objectives of taxation: to sustain a collective greater good beyond the scale of family, kinship, or community. It also serves to impose discipline and to foster a greater procedural transparency. Modern nation-states simply could not exist without it. As is becoming increasingly clear, nor can the world either.

We pay taxes in any case not just to help others but also to help ourselves: by making a moderate contribution to a public body we create the means for those authorities (usually states) to provide us with such things as we ourselves have neither means nor desire to provide—be it transport infrastructure, new technology, or public health and education for our children. The success of national taxation schemes rests upon a judicious balance of public and private interest. The same is true internationally, which is why a system of global public investment would not be about some countries merely subsidising others, and for two important reasons.

First, countries that would be primary recipients of global public investment would *themselves* contribute something to the pot. This is on the dual grounds that with such a system the mix of givers and takers will be far more fluid than it is today while, in the meantime, the act of contributing, and the institutional discipline that requires will be useful in building up infrastructure and trust: two things sorely lacking at present internationally. Second, it is wrong to conceive of such resource transfers as only about respective national governments disbursing money between themselves at the national to national level: global public spending could work across regions and between different groups globally as well. It has the potential to be as flexible as institutional capacity allows.

The question then arises of just exactly how to fund such a scheme. To begin with, it could be as an additional component of existing taxation schemes, for example. Even just ensuring that all governments simply meet the long-agreed-upon 0.7% target for international aid contributions, for instance, would open up considerable funds, beyond those we presently have to work with. Funding would also of course be something met by *all* countries, substantially raising the tax base as it does away with a binary world of donors and recipients altogether. The global public investment model recognises, then, that in some senses "we are all developing" still, as Jonathan Glennie—one of those to have most convincingly outlined the case for such a form of spending—argues.[59]

This faculty is precisely what would make GPI more effective than aid: for it would provide a means to strategise, to think forwards and not just backwards in a fog of reparation and patchwork relief. It would resurrect the best of the five-year plan and combine that with the hard-won lessons of half a century of aid. Perhaps above all, such an ability to use a large pot of money to address the underlying problems that poorer parts of the world confront is precisely what makes GPI amenable to factoring social policy goals into questions of global development.

Social policy in the GPI model could potentially result in what some refer to as a "double dividend". Just as we levy taxes on products that are harmful to our personal health, so could global public investment be levied at one end, at a fractional rate, upon economic activity that directly jeopardises obviously public goods such as health.[60] At the other end, its disbursements could be prioritised for investments in things such as building infrastructure, where needed, or emergency food provision. In short, GPI has the scope to be infinitely more flexible than aid, which is always beholden to conditionality and the whims of literally thousands of donor bodies, all working in competition with one another, for all that they share the same broad objectives.

There are already a growing number of practical suggestions for some form of global public investment, including suggestions to tax a range of financial transactions. This includes the Tobin tax, which would take a sliver from financial transactions in foreign exchange markets, which currently turn over $4 trillion each day but are not subject to any meaningful taxation. At a proposed rate of one-two-hundredth of a percent, a tax on these financial transactions could still bring in more than $30 billion a year.[61] Levies of this sort could raise considerable capital resource, which would partly feed back into regulating the industries whence the money comes and partly feed forwards into a larger social pot.

Banks and corporations will protest when the rules of the game are changed, of course, but they must be reminded that they have already enjoyed their own private "golden age" of under-regulation and under-taxation around the world, price fixing within their own corporate structures and playing the global economic checkerboard to full advantage. Meanwhile the old kings of state are stuck fast, sovereigns of nothing more than their own territorial squares. It is time for that relationship to change.

Some, perhaps even most, governments will oppose such rule changes too, as Britain's present chancellor of the Exchequer George Osborne did when he sought to challenge a European financial transactions tax because it would harm the interests of the city of London. But here too there is a case to be made. For as was pointed out to him at the time, more than half the current £3 billion in revenue that comes from Britain's existing tax of this sort, a stamp duty on stock sales, is revenue coming into Britain from *foreign* entities.[62] There are indeed benefits to be had by all.

This brings us finally to the question of management: How would the money be collected? Who would decide where it would go? How would it actually get there? A global registry of wealth would be needed to start with.[63] With global public investment, transparency would be even more important than it is for aid at present. But these are not novel or insuperable problems: our own national taxation systems find ways of addressing them to an acceptable degree. The collection, management, and disbursement of such large sums of money internationally would present institutional challenges beyond the national scale too, of course; although as Tony Atkinson, suggests, the hurdle to actually starting something like us up could be overcome by means of a form of "flexible geometry", starting with the European Union, for example.[64] So these ought not to be insuperable problems: indeed, they must be overcome. The current tax regime is one built upon the principles of a territorially enclosed era, and yet we live in a globalised era: nations compete more forcefully through tax policies today than they do via tariffs and trade policy.[65] But that still leaves the question of accountability.

The United Nations has for decades cultivated a public trustworthiness and, for the most part, impartiality as an international body. Only the United Nations could provide a sufficiently accepted and accountable umbrella under which a UN Public Investment Authority, say, could be established: its headquarters in a large international city outside of Europe or America, somewhere like Seoul, perhaps, but with regional public investment branches of the organisation too. These regional branches would ensure more local accountability, confidence, transparency, and competence in disbursement. There would be costs involved in setting up anything like this of course, but the costs are marginal compared to the benefits of what such an organisation might bring.

But what, then, would GPI actually do? Why go to all this trouble? First, it would provide for (and protect) a range of global public goods.[66] Public goods refers to anything that meets needs we all have in common, anything that entire societies have a right to and that no one individual or group is permitted to deny others: things like clean water, knowledge, good health. Even if some of us feel ourselves relatively secure and removed from the tyranny of hunger, we all require a "social shell" to survive, as the geographer Gerry Kearns puts it: and public goods do much of the work of providing for this social shell.[67] We are all reliant on such basic things as good soil and effective irrigation, functioning roads, and places to turn when we need help. We are dependent for our existence on "mutual aid", as the nineteenth-century Russian geographer Peter Kropotkin termed it. And GPI would be a far better way of addressing, for example, current food security needs than rich countries' trend towards land-grabbing and the corporatisation of the food-supply system.

In an increasingly globalised world, something is needed that can extend a public form of protection to the natural resources and the ecosystems that we all share, as well as to more intangible things such as the accumulated knowledge of public-oriented research (knowledge about life-saving pharmaceuticals, say). All of these things may be given a price and turned into tradable commodities. Many of them already are, such as the carbon that is traded between variously polluting nations. But public goods—even oil—cannot be safeguarded except by public bodies acting in the common interest. Bolivia's president Evo Morales recently, if unwittingly, raised the possibility of this when he told the world that Bolivia would desist from its plan to develop shale mining in the environmentally irreplaceable Amazon, if wealthier countries were prepared to incentivise Bolivia financially not to take advantage of that natural resource.

If we do not pre-emptively avoid the need for such blackmail, by ensuring that countries are all committed to an agreed-upon set of principles, we will see a lot more of this sort of thing in the coming century. Our present preoccupation with things like protectionist exchange rates and tariffs will by then come to be seen as matters of precious little importance in comparison, even to the political right. So perhaps it is now the left's turn to proclaim that there is no alternative. For while a powerful business lobby or private philanthropist may be able to stump up the cash needed to protect a sizeable area of rainforest (and even ask that Nestlé boats desist from anchoring there), in a volatile world there is no guarantee that corporations and non-governmental organisations will keep doing what they presently do or stick to their earlier promises. Democratic accountability really is our only hope.

The second benefit—of special relevance when it comes to inequalities in global wealth—is a distributional one. The University of Chicago economist Robert Lucas Jr. once famously said that questions of distribution are the biggest threat to "sound economics".[68] Given what Lucas and his free-market colleagues took for sound economics, that is precisely what makes it so important we learn to ask them again today. An international system of global public investment would give us a practical environment in which to do this. It would also, over time, help smooth out existing inequalities in wealth, in a way that is fair to the wealthy—not, for example, Soviet-style expropriation—*and* fair to everybody else.

It is essential that such transfers of wealth be reliable and predictable in the short term (so it is possible to plan around them) but equally sustainable over the long term. Our current model of aid cannot provide any of this: it has come to prioritise short-term funding and one-off transfers over longer-term investment. It is far too reliant on voluntary contributions. Similarly, foreign direct investment is too fickle and prone to market fluctuations: by its nature it tends to be pro-cyclical rather than counter-cyclical, making booms bigger and recessions drag out for longer. Between the two current dead ends of unregulated foreign direct investment and overly conditional official development assistance, therefore, global public investment is a fairer, more sustainable bet.

By providing a means of long-term, sustained investment carried out in multiple directions (overcoming the traditional problems of bilateral aid and conditionality between unequal "partners"), GPI would also be an effective down payment on the sort of global-scale trust that is required if we are to realistically tackle more complex problems—such as climate change. The more we partake in and disburse specified interpersonal (not personalised) commitments to other people, the more we will come to understand the nature of our common existence, no matter if our respect may continue to lag behind. This is how moral revolutions happen, after all: not with a bang but a barter. But it must all be enacted at sufficient scale if any of this is to be realised.

Third, GPI has the potential to ease increasing tensions over access to the resource endowments of poor countries and the geopolitical uses to which the territory of these nations is likely to be put. As the global food crisis of 2007 and the looming threat of water wars in the near future both make clear, absent clear rules of procedure as to how we organise the distribution of vital resources globally, and the capital required to exploit them, and the coming century looks likely to be one in which the recent decline in secular interstate wars and violence will be reversed. GPI would provide a much-needed preventive forum for managing the pressures that lead to conflict before war erupts. We have never found it hard to enter into treaties over contested territories in the past, the better to stave off conflict in the future; the problem is that we simply do not think to be as bold internationally, outside of military and economic bottom lines.

Fourth, our own belief in the value of society itself stands to benefit from a form of global public investment of the sort that I am proposing. We are not yet at the stage where it is even sensible to talk of a "global public" per se. Simply asserting that people become more interested in distant others than they are, absent a theory of why that should be, will always fall short of reality. Yet GPI would actually provide a way of getting us to the point at which we *might* begin to think like this. It is more important, under any definition of democracy, that we give each other our respect and our interest than our charity and our personal care. And by partaking, as relative equals, within a neutral system of taxation and distribution, we demonstrate such respect without the need to do or say anything at all. Our participation alone is enough. But we will learn this lesson only by the doing of it.

By doing away, at the same time, with the alms and moral guilt-tripping we are usually requested to bear, we might also come to see that not all the money raised would need to be spent "abroad". Some of it might finance research and development domestically, benefiting strategic sectors and industries—the UK pharmaceutical industry, for instance—in ways that better equip us for the coming century, or even benefiting more marginal and poorer regions domestically. In the GPI model, then, London's overheated economy in the south of Britain (a boon, for the most part, to only some of its inhabitants and those foreigners who park their investments there, the better to gain from the near 10% rate of return on property) could help divest resources to the north and bolster a more stable British economy in the process.[69]

Such arguments ought, then, to square off against fears that this is a game with but vanishingly small returns for wealthier and more powerful nations. Rather, there is every reason to believe that evening out imbalances in wealth between nations is exactly what will also make our wider world more productive again, and indeed more secure. It will certainly make our planet a more sustainable one, and it may even discourage large-scale international migration, particularly of the irregular sort: something in which the parties of the right can find something to celebrate too. After all, GDP had to be "made" a national obsession, as Harvard's Richard Parker points out: the same could be done with redistribution.[70] We aren't going to out-produce China, but shift the metric to some variant of GDP plus Gini and we might just find a means of showing that we out-redistribute them.

None of this is solely about economics at the end of the day. It is becoming increasingly clear, rather, that we need a more overtly political framework for addressing the long-standing structural inequalities of the international system. In times of crisis, we must of course prioritise the use and allocation of resources. But the point is that we need a more democratic means of doing this than at present. One way of achieving this would be to look forwards, not back, and in keeping with the social democratic ethos, to work on the terms of pre-distribution in addition to compensatory redistribution.

## A DEMOCRATIC INTERNATIONALISM

If we want a world less tainted by the rot of inequality and unfairness, then we need, finally, to find concrete ways of including poorer citizens of this world in the decisions taken in relation to them, rather than simply waving abstract notions of freedom and equality about in the belief that doing so will encourage them to trust us. Institutional questions of democracy must come before any normative discussion of equality, that is to say, and since more and more problems can be solved only at the global scale, it is imperative that such questions be addressed internationally. It might once have been a valid critique that there was no necessary reason for national citizens to aspire to even a weak form of global politics, or to consider questions of inclusion, ownership and control beyond the borders of the nation-state, but there is no longer any alternative: we have put ourselves in a position today where some degree of international political coordination is essential. The sooner we recognise this, the better.

But what is democracy when it isn't the democracy of elective national states? It is certainly not the "democracy" that for half a century has been spread abroad in the name of peace and free enterprise. The history of democratic thought provides us, rather, with a spectrum of possible models we can turn to. For the most part, there are either federations (top-down models of the sort that bind the fifty states of America and the twenty-nine states of the Republic of India) or more loosely bound confederations (of which the European Union is perhaps the closest real-life example). But what is needed, today, as the thoughtful work of Daniele Archibugi, among others, has mapped out, is something in between the two.*

To be sure, this does not need to involve a fully cosmopolitan global order that lays claim to some singular global identity (whatever that might be). But we do need a global *institutional* system that builds on existing public and international law to better mediate between different political and social groups and across different economic and geographical levels, from the local to the municipal to nation-state and

*Daniele Archibugi, *The Global Commonwealth of Citizens: Toward Cosmopolitan Democracy* (Princeton, NJ: Princeton University Press, 2008).

beyond to the interstate. This is not about simply sticking local affairs together with global ones either; it is about recognising that the two already are implicit in each other. And the implication, as the political philosopher Nancy Fraser points out, is that democratic global institutions must marry civil society determination (or populism: the movements deciding the "what") with their own legal-political constitutionalism (to provide legally binding and institutionally effective resolutions on that basis).[71]

The trick to achieving this is to proceed backwards and step-by-step. First, we must build democracy back into such institutions as we currently have; we may then be in a position to build a more elaborate institutional architecture to address the underlying issues. At present we are heading in the opposite direction. For two decades the United Nations has preoccupied itself and the world with "peace keeping"; its earlier efforts to build the institutional conditions for peace have fallen quietly off the radar. More recently, since 2005, and the establishment under Kofi Annan, of the UN Democracy Fund—largely bankrolled by India and the United States—the United Nations has committed itself to Western-style "democracy promotion". But democracy should be more than a glorified talking shop of the more powerful and privileged nations. An effective second UN chamber—a parliamentary assembly—is sorely needed, and those of us with a voice in more powerful states should be using it to lobby for this. The idea is not so far-fetched—it has been the subject of concerted thinking for many years and has the support of at least one former UN secretary-general, Boutros Boutros-Ghali. More important, the idea has been endorsed by the regional parliaments of Europe, Latin America, and Africa and by more than seven hundred members of Parliament around the world.[72]

Such a parliamentary body would give the world's citizens a more direct say in the single most important international body that exists—the one body from within which a democratic focal point could be established and from which democratic oversight of other major international organisations (the World Trade Organisation and the World Bank included) could actually be exercised. A parliamentary body is certainly more appealing than the likely alternative: emerging powers, like Brazil and India, angling to ensure that they are the next in line to succeed the old structures of power (through demanding, and getting, permanent seats on the UN Security Council, for example). It would also be more effective.

Opening up the United Nations more directly to the people who are themselves affected by its actions (and today more than they ever have been) is one way to democratise it—or haul it into the twenty-first century, we might say. And in many ways this is nothing more than what the New International Economic Order was calling for. Another is to open up the United Nations to other significant non-nation-state entities that are the subject of its resolutions and directives. For example, more than 80% of the conflicts on the UN Security Council's agenda involve non-state actors—be these militias or governments in exile. As some have suggested, these actors should be given a "universal right of address", which would also require that they justify themselves to a wider public than those who are forced, by virtue of geography, to listen to them.

The potential here is not just for a more democratic way of resolving hostilities. Labour unions, channelled via the International Labour Organisation, could also be usefully included in this manner. Labour used to be the very heart of internationalism; perhaps because the world's workers are less and less "our" workers, it has slipped off the agenda in recent decades. But the future of our workers *and* their workers has scarcely ever been more closely entwined, and there is much to be achieved by putting work back front and centre on the international political agenda.

International politics is not, of course, limited to the United Nations and its affiliated agencies. A de facto international politics is orchestrated from *within* the core institutions of the Washington Consensus: the World Bank, the IMF, and the WTO. The WTO in particular has the power to shape the wealth of entire nations by determining the trade rules by which states are to be governed. At present its demands work almost entirely counter to the forms of social policy and market regulation we have discussed here. And they consecrate as international charter a fundamentally unfair economic system.

There can be no doubt that this needs changing. But a more broadly based perception of the problem is required first of all. Supporters of free markets—and the WTO is nothing if not their Cardinal Richelieu—like to claim that, at the end of the day, all that matters in policy are the incentives. Get the incentives right, and people will act appropriately. That is why regulation is superfluous, if not dangerous, they say—even as "incentives" lead nations to lower their minimum wage. Do these people not see that regulation is itself an incentive for us to act in the interests of people other than ourselves? Do they not see that self-interest does not itself preclude acting in the wider public interest?

For all that the WTO's positions are easy to critique, they are incredibly hard to shift, because the countries that are most affected are the ones that have least say in the system. In the past, if people really wanted to change something, it was enough for them to march on their capital city. Today, after storming the barricades in Tegucigalpa or Macau, those marchers would likely find that they had to put a phone call through to the appropriate representative of the WTO or the World Bank. They would be forced to rummage through the filing cabinets to pull out the small print of exactly which rights had been given away in the latest free-trade agreement with Europe.

The problem is that, for many issues, it is simply no longer clear just to whom exactly we should turn to complain when things go wrong, or whether those to whom we complain would even be permitted or capable of doing anything about it anyway. And the fact that this is not clear says everything about the extent to which they were determined democratically. We are told that international politics is a pipe dream. But in fact international politics is alive and well—it is just not a very *democratic* international politics at present. And ironically, the people telling us that there can be no international politics are the ones who are doing most to actually shape things. So international politics exists; at present we merely act as if it didn't.

The problem of course is that people cannot alter the great ships of state and interstate institutions alone: they must come together somehow. But the most effective institutions we have for educating, encouraging, and coordinating such desires—unions and mass organisations—are the very institutions that are also on the decline. In the United States, for example, labour union membership declined by 43% from 1950 to 2000.[73] In Europe it has fared only a little better. The figures for the number of people who turn out on strike follow a similar trajectory. Absent such institutional focal points around which to converge, to bring pressure to bear on entrenched interests, and through which we can ultimately settle upon common policies, we lack a mechanism for even identifying the rights that we would have protected in the first place.

It is little wonder, then, that in place of the demands for universal policies that mass organisations once made, we have switched instead to a focus on elective social movements and civil society groupings. There is much that social movements can achieve: London Citizens and Citizens United in the United States are two important cases in point, as are *buen vivir* in Latin America and *beni comuni* in Italy. And civil society has an even greater, untapped potential still. But single-issue initiatives are vulnerable to being out-manoeuvred by governments. In Peru, social movements mobilised against extractive industries but were easily out-played by a government that deliberately framed the national "anti-poverty" discourse in terms of export-led (which is to say, mining-led) growth.[74] In Argentina, communities mobilised on ethnic grounds, but their achievements were then used by the government to wriggle out of *universal* policy commitments.[75] International movements which can transmit expertise are needed to combat this. The World Social Forum and the International Transport Workers' Federation each offer ideas as to how. But these are not what most people think of when they think of international institutions.

The original social organisations within the United Nations are equally important and equally under-valued today: the UNDP, UNCTAD, and the ILO chief among them. It is not their fault that they have lost the regard that they once had. But it is to all our cost, since in their absence, too much international politics has come to take place behind closed doors. Worse than this, too much is actually privately determined by the super PACs and the business lobbies. When we remove the United Nations, which deals with policy but which today prefers to do so on an ad hoc, crisis-response basis, and the regional political or military organisations (such as NATO), none of which deals with social policy-making in any significant way, the majority of what is left, which is to say the organisations that actually *do* things and have the power to make other people do things, are business concerns: the institutions of the Washington Consensus (the IMF, the World Bank, and the WTO), the World Economic Forum, the African Economic Forum, NAFTA, APEC, a range of bilateral and regional free-trade agreements, and elective groupings such as Business for Peace.

Against these Roman legions of the business world, we need to find ways of building democracy back into the existing international public architecture: keeping those bits which are useful and can be reformed, and doing away with those that cannot. This is not something these international organisations are themselves necessarily against: there are strands within the IMF that are working on increasingly progressive approaches to international finance, and it was the chief economist of the World Bank, after all, who stated back in 1996 that "reducing inequality not only benefits the poor immediately but will benefit all through higher growth."[76] These institutions should be held, as a first step, to these voices of their better angels. But reform is ultimately needed.

Reform of the United Nations, via the introduction of a more democratic chamber and renewed appreciation of the role of its more progressive wings—the UN Development Programme of old, the ILO of today, as well as the UN Industrial Development Organisation and UNICEF—is one way to go. Another way is to build out the regional level of international policy-making. Policy powers must be taken back from regional economic agreements and given over to organisations like the Bolivarian Alliance for the Peoples of Our America (known as ALBA), Mercosur, and the Association of South-East Asian Nations. Social policy protections must be ensured at the national and regional level too (something that is almost entirely overlooked in the MDGs' and SDGs' focus on reducing the poverty of *individuals*), and that in turn means making it harder for wealthier nations to co-opt the WTO's dispute and enforcement mechanisms.

The experience of the European Union is instructive here, albeit something of a mixed example for would-be cosmopolitan social democrats. The original European Community was never intended to engage in social policy-making, but it ended up having to when its own promotion of the free flow of people across borders played out in ever more socially disruptive ways. And to its credit—for all that it is out of fashion to compliment the European Union these days—it actually did. From 1988, for example, the budget for the European Social Fund increased year on year with money drawn down from the Common Agricultural Policy and from the EU entry of wealthier countries like Sweden, whose own history we are by now familiar with.[77]

Regionalising democratic decision-making is but part of the solution, however. Ultimately, some sort of independent global public institutional infrastructure is needed, no less than nations needed roads and railways in the past. Simply put, we just will not get much further without it. Unions and social movements, and indeed NGOs, may all have a role to play here. But the lead should be taken by UN-established bodies, which are often the best positioned—and the most competent—to deal with the specific challenges that await: be it labour, migration, climate, or health.

Again, GPI is instructive here, because it could itself become a vehicle for developing an integrated, cross-national institutional infrastructure. In many cases, as we have seen, poor countries' governments simply do not have the means yet to develop sufficient tax systems, or even a sufficient tax base: only 5% of the Indian population is wealthy enough to pay taxes. So it is clear that these governments are likely to need some help: not least given that the other alternative, a form of Keynesian deficit financing, is effectively closed to them in today's economic climate. This changes things a little. In the past nations incurred a debt to build a railway with the expectation that in the future they would reap a greater series of benefits. Today, when it comes to the public realm, wealthier nations must empower poorer nations to help us all reap those future benefits.

Finally, there is the question of the relationship between democracy and the law. From the scramble for Africa to Europe's great era of constitution-making in the 1920s, the law has always been the silent party behind the founding of new social orders. In the post–Cold War era international jurisprudence has again experienced something of a boom. But that boom has to date adopted the normative tenets of liberal democracy as its moral compass. We are familiar by now with some of the effects.

The constitutive power of the law can be made more democratically accountable than this. At present it is corralled into a (somewhat overplayed) struggle between the might of "constitutional" orders, which are invariably associated with particular places (Brussels usually), and individual human rights (which as we have also seen are associated with a universal freedom of choice untainted by the grit of actual political commitment). It is probably fair to say that the benefits of constituting orders have been subsumed by unjustified fears of their effects while the pitfalls of human rights have been buried beneath the celebratory rhetoric with which they are usually deployed. It is almost entirely overlooked for the most part, for example, that human rights discourses have themselves frequently acted as a barrier to the extension of politics internationally.[78]

There are further problems here too. Americans on the whole are more sceptical of international law (as the recent history of US unilateralism reminds us); Europeans, in contrast, tend to be more in support of it (it is the *European* Court of Justice after all, and the International Criminal Court is largely the child of Europeans).[79] Part of the reason that human rights have become such a dominant and successful political language since the 1970s is precisely the fact that they are able to square this circle: giving Europeans and Americans alike a little of what they both want. But this circle cannot go on being squared if we want to start talking about constitutional forms of politics. The problem goes deeper than just the limits of human rights.

The problem, at its heart, is this. The constitutional reach of international law has to date been driven primarily by (European) *experts*, not by a process of democratic deliberation.[80] And this matters, because the well-known American reluctance to support a fuller role for international law—it is one of the few states that has not ratified the Rome Statutes, which give the ICC its authority to prosecute, for example—stems in no small part from the belief that the sanctity of democracy outranks, and needs protecting from, the tentacular constitutional reach of international law.[81] On the surface of it this is a reasonable position: it was in the European Court of Justice, after all, that British

Chancellor George Osborne first tried to challenge the proposed European Financial Transactions Tax.

But it is also revealing of the fact that it is a distinctly conservative vision of democracy that holds most strongly today in America. And it reminds us why a conservative form of democracy will not help us to solve the problems of this world: we *do* need to take the risk of empowering international law, and that means that we must also take the risk of allowing national democracy to be rebuilt in line with this via democratic constitutional processes. That means not seeking to prevent international law from constraining what states can do (the US position) and not seeking to override national democracy (as does Europe at times) but getting the twain to meet. The idea that a country can have either a constitutionalist approach to making the rules or a democratic approach is a false choice, and we should reject it as such. The experience of the former Soviet states transitioning from communism to democracy in 1989–1991 and South Africa's democratic transition in 1994 both show that there are ways that the making of new constitutionalist orders can be undertaken in a democratic way *before* a democratic polity as such has itself been constituted.[82]

International law is important too for its capacity of oversight and redress as much as for its constitutional ability to "create" new orders. Perhaps above all, the current laws pertaining to intellectual property rights need addressing, so that what ought properly to be enjoyed as public goods—certain medicines, for example—is not kept locked away behind monopoly rights for the benefit of the rich alone. It could be used to revive an updated form of anti-trust legislation, say—and to make firms and others accountable not only as producers of exchange value but as employers and shapers of use value too. It could be used to underpin anti-land-grabbing and anti-social dumping rules.

We know, then, the sort of thing that is required, which involves a *political* response to the challenge of global inequality. We need to re-create the vista of 1944 but unpick our ideas and the values that we have inherited from the 1970s in order to do so. The solution to the problem of uneven development and global inequality requires of us that we build new institutions and democratise existing ones, but not just in and for the poor world. The rich world too must be party to and bound by these changes, which is why international law is so important.

We need new "cow trades" to address the unfair terms of trade under which most of the world's people are forced to labour, and not least because Western citizens also lose out to the current corporate subsidies (it is we, after all, who are paying for our governments to reduce corporation taxes). We need publicly minded economists and lawyers to devise and put forward a just global intellectual property rights regime so that people who are sick in poor countries can afford the medicines they need, and so that poorer societies can develop their own domestic pharmaceutical sectors offering drugs at prices that Western consumers would no doubt prefer to pay as well.

We must be prepared, in short, to do the hard work of joining up the dots of what is, at present, a far too patchy, far too easily manipulated institutional framework that governs the lives of rich and poor around the world but that does not govern them alike. The global poor are marginalised within the current system differently than the wealthy world's poor are marginalised within it. But the end result is the same. Both would benefit from greater equality. Conservatives may say that progressive forms of taxation, which might underpin this, are a limitation upon some (rich) peoples' freedom. But the belief that underlies this is wrong, as Ronald Dworkin, among others, demonstrates. It is also the reason that equality has always ranked second to liberty in the modern world, and this, in turn, is something the rest of us lose out from.[83]

So we are justified in seeking greater equality. This politics or "strategy" of equality must be universalist in aspiration; morally, it cannot allow gains in one place to be the product of injustice elsewhere, but practically, too, it will find itself otherwise severely limited in addressing the injustices of a modern globalized economy and such problems as tax avoidance. It must involve ceilings on the power and wealth of the rich. Political power is a more difficult thing to legislate for, but economic wealth is relatively straightforward. It will need to proceed in more than just a minimalist guise: for all that human rights are a powerful mobiliser of empathy, recognising their particular limitation here is essential. And finally, if it is to be more than minimalist then it must be democratic and participatory. Since it is impossible to specify a single vision of the good life, this must be iteratively determined and able to change tack as society develops.

There is no single way of reaching this point, and since we are not aiming for a single point in any case, there is no utopia to peddle on its behalf. What is required, rather, is a willingness to act. Something needs to stand behind these changes in our current ways of wealth, in our attitudes to pre- and redistribution, and in our commitments to democracy and the law. At the end of the day, that something can be only us.