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GLOBALISED NEOLIBERAL CAPITALISM AND THE ALTERNATIVES¹

Abstract: The paper describes the main features of neoliberalism, its benefits and drawbacks, and the reasons why it should be replaced. The author's arguments are based on a study of the strengths and weaknesses of neoliberalism. He reveals the reasons behind its popularity and identifies its main shortcomings and ways to eliminate it. The fundamental question of this study is an attempt to find a viable alternative to the neoliberal agenda and possible ways of its practical implementation in the foreseeable future. The latter requires redefining a space for alternative political and economic forms of a developed industrial society, including looking through a prism of the concept proposed by Professor S.D. Bodrunov's: a transition to reindustrialization, greater social solidarity based on state forms of economic coordination. The paper makes a valuable contribution to the discussion by proposing a hybrid form of regulated market socialism that could be adopted by the national economies of Russia, the United States and Western Europe.

Keywords: noonomy, global transformation, contradictions of capitalism, national economy, corporate capital, reindustrialization, neoliberalism, convergence, socialization of social structure, diffusion of property..

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全球新自由资本主义及其替代方案

摘要: 文章阐述了新自由主义的主要特征、优缺点以及应被取代的原因。作者的论断基于对新自由主义的长处和不足的研究。说明了新自由主义为何仍有吸引力, 其主要弱点以及克服这些弱点的方法。本文的核心议题是探索新自由主义的可行替代方案, 以及在不远的将来践行替代方案的道路。为此需要确定可供选择的发达工业社会的政治和经济发展形式, 包括博德鲁诺夫S. D.教授提出的向再工业化过渡以及在国家经济协调基础上加强社会团结。文章提出了一种可被俄罗斯、美国和西欧国家经济所采用的混合形式的市场调节社会主义, 从而为这一问题的讨论做出了贡献。

¹ The paper is based on D. Lane's book *Global Neoliberal Capitalism and the Alternatives: From Social Democracy to State Capitalisms*. Great Britain: Bristol University Press, 2023. 335 p. Note: On April 5 2024 at the SPEC-2024, an agreement was signed on the publication of the book in Russian language. Russian Translation in Progress.

关键词:智慧经济学、全球转型、资本主义矛盾、国民经济、企业资本、再工业化、新自由主义、趋同、公共领域社会化、财产分散。

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During the third quarter of the twentieth century, in world politics the ascendant political forces were those of socialism. The Soviet bloc presented an alternative setting to Western capitalism with different organisational structures, forms of property and political legitimacy. In Western Europe, capitalism remained. The humiliating electoral defeat of Winston Churchill in the UK, in 1945, symbolised the decline of right-wing influence, both politically and ideologically. Conservative, liberal and nationalist parties accepted the nationalisation of major industries, high levels of taxation, state economic direction and welfare redistributive politics. In Africa and Asia, anti-colonial movements, many with a socialist orientation, succeeded in decoupling from imperial political domination. Socialism in different forms had entered the public consciousness as a viable and desirable political objective. Socialism developed a counter culture to capitalism.

By the beginning of the twenty-first century, the political and ideological map had changed significantly. In Europe, by the 2020s, no credible social-democratic government was in power. Communist parties had largely disappeared. The USSR no longer existed. China had moved to private ownership, market competition and full membership of the IMF and WTO. The socialist appeal of collective provision significantly had declined. The dominant culture was one of consumerism and collectivist motivation had been replaced by possessive individualism. The former socialist and social-democratic parties, even when they regained political power, did not reverse but continued, even furthered, the neoliberal agenda. Now, it was the turn of the socialist and social-democratic parties that remained to adapt to the concepts and policies of a new dominant ideology, neo-liberalism. The leadership of social-democratic parties in Europe, and the reform movements in the socialist states, welcomed these policies.

Why had the neoliberal movement, an insignificant economic clique in the 1960s, become the major world economic authority in the 1980s? The explanation for its success must be something more than ‘the construction of consent’ [Harvey, 2005]. It is true that national and transnational political, media and economic elites have played a leading role in promoting neoliberal policies. They were often physically imposed on countries such as Chile, or enforced through the financial power of the IMF and rules of the World Trade Organisation.

But neoliberal policies were also widely adopted by elected as well as unelected governments as remedies for economic backwardness or decline. The rise of neoliberalism is not only a consequence of Western elite intellectual leadership and manipulation. It is also a reaction to the failure of statist policies and the result of major developments in the social structure of post-industrial societies.

Structural Changes

When we compare the underlying factors leading to the fall of state socialism and social democracy, we distinguish common processes. Both types of economy suffered internal decline in

the final quarter of the twentieth century. Both had experienced similar long-term trends in the social structure: the rise of non-manual, executive and professional occupations. The growing educated non manual strata provided the social and political base of support for a competitive market and a less state-managed system. As the social structure moved from a preponderance of manual industrial and agricultural workers, aspirations of the non-manual working classes could be met through access to higher education, to home ownership, to self-fulfilment through leisure, and the gratifications of a consumption society. Both experienced popular dissatisfaction with living conditions which did not meet people's expectations.

Both economic blocs were subject to foreign influences. In the socialist countries, reformers sought to join the world economic order and were encouraged to do so by the hegemonic powers. In Western Europe, countries were becoming part of an economic global system, dominated by the USA, coordinated by the World Trade Organisation and the International Monetary Fund. In both areas the traditional socialist appeal of collective provision significantly declined and was replaced by possessive individualism. Even critics of neoliberalism, who recognised its faults, considered that the alternatives on offer might be even worse. As Margaret Thatcher tersely put it: 'there is no alternative'. An assertion I shall question later in this article.

In this paper I summarise the discussion in *Global Neoliberal Capitalism and the Alternatives* [Lane, 2023]. I outline the major features of neoliberalism, its advantages and faults and why it should be replaced. My reasoning is based on the assumption that one must identify the strengths of neoliberalism, why it has appeal, then to consider its faults and how can they be remedied. Most importantly, I address the question of whether there is a viable alternative and how could it be achieved. I attempt to define spaces for alternative political and economic forms of advanced industrial society, including those as proposed by Sergey Bodrunov – notably, a shift to reindustrialisation, a greater social solidarity predicated on statist forms of economic coordination. The paper contributes to the discussion by proposing a hybrid form of regulated market socialism which might appeal to citizens in developed countries such as Russia, the USA and Western Europe.

The Components of Neoliberalism

Neoliberalism originated as an economic doctrine and has been developed to constitute a theory of society having legal, psychological, economic, political and social components. It claims superiority as a theory of how modern societies should be organised and adopted on a global scale. I explain and critique neoliberalism in the terms of its own advocates, based mainly the writings of Friedrich von Hayek and Milton Friedman. Nineteenth century liberal capitalism was an economic system driven by production for profit, and coordinated by market relations and competition. The state maintained private property rights and enforced laws. Neoliberalism widens and deepens liberal capitalism. It becomes, not just a form of economic mechanism, a theoretical approach to society. Its major components are summarised on Box 1.

In its psychological component, neoliberalism is based on the fulfilment of personal self-interest. For Margaret Thatcher, 'Economics are the method; the object is to change the heart.'¹ People should be free from social constraints, individual rights are foremost, diversity and social mobility are promoted.

¹ Butt R. Margaret Thatcher Interview for Sunday Times / Sunday Times. 03 May 1981. URL: www.marharet-thatcher.org/document/104475

Societal components of neoliberalism

Components	Description ¹
Psychological	motivations of personal self- interest act as drivers of economic development. Such psychological drives must be allowed to flourish in free associations, unfettered by the state;
Legal	supremacy of law: law defends liberty, defines rights to property, and enforces limits to state activity and the rules of the market;
Economic	unrestricted market coordination through competition at all levels of the economy; <i>marketisation is furthered by monetarisation and financialisation of ‘non- economic’ exchange to promote efficient allocation;</i>
Political	the state exercises law enforcement legitimated by electoral democracy; maintains property rights and actively promotes institutions of market exchange; <i>state activities are subject to market coordination, and open to audit of misuse (through state capture and corruption);</i> the state is subject to law and cannot override it;
Social	rights to private property, autonomous civil society, <i>the promotion of anti- discrimination and diversity, the monetarisation of human relationships;</i>
Coordination	the market is the principal form of exchange; the process of catallaxy (mutual spontaneous adjustment) and exchange between actors promotes well- being. <i>International institutions set and enforce rules between national and global economic actors;</i>
Boundaries	the international system, mediated by agreements between states, promotes free geographical movement of capital, labour, goods and services. Global institutions enforce rules to promote free capitalist intercourse on a world scale. <i>Political intervention in ‘unfree’ states by liberal states is legitimate to secure freedom.</i>

The rule of law is fundamental to neoliberalism, law safeguards the community’s ‘commonly held principles’, which Hayek considers to be the promotion of individual freedom. Law cannot be overridden by majority decision. Democracy is ‘a rule of procedure whose aim is to promote freedom’². Individual rights promoted by civil society are prominent political objectives. The state has a role, not only to monitor, but also to subject its own procedures to open access and to competition; the state becomes subject to law.

To economic liberalism is added a dimension of financialisation, which entails the monetarisation of social exchange relationships, and extends the area of the economic market mechanism. Financial motives and criteria, financial actors and institutions mediate between the person and social life. Financialisation of relationships promotes a regime of accumulation – financial criteria determine the allocation of investment; economic and non-economic organisations and associations are subject to financial scrutiny; and everyday life becomes financialised through the monetarisation of relationships [Zwan, 2014; Orhangazi, 2008]. These processes promote individual choice concurrently with the creation of profit. Examples here are the introduction of prices for services in the public sector, such as healthcare, education, and the use of private companies to run prisons and probation services, fees for parking cars on public roads, for the use of public playing fields and toilets are other examples. Speculation on various forms of currency evaluation (derivatives, futures) comes to replace the sale of goods and services.

¹ Note: Italicised text indicates items added to classical liberalism by neoliberalism.

² Quotation attributed to Hayek, cited by P. Mirowski, *Postface: Defining Neoliberalism*, in Mirowski and Plehwe, *The Road from Mont Pelerin*, pp. 417– 56, quotation p. 446.

The rise of financial institutions in the twentieth century presents a new stage of capitalism. Financialisation facilitates transactions and enables banks to increase levels of debt, thus enabling 'debt instruments [to] far outweigh equity instruments' as sources of revenue in relation to gross domestic product [Robbins, Di Muzio, 2016]. The central bank becomes independent of government, and thus is free to act as an economic player. This division seriously weakens the power of the state.

There is a global normative component to neoliberalism: economic progress should be enjoyed everywhere and it is legitimate to promote freedom internationally. The international system, mediated by agreements between states, enforced through global organisations, promotes free geographical movement of capital, labour, goods and services. Global institutions enforce rules in support of free capitalist intercourse on a world scale. Political intervention in 'unfree' states by liberal states is legitimate to secure freedom.

Neoliberalism has succeeded because the previous state-led welfare policies failed in securing the promised economic growth and rise in welfare. Market based policies have favoured those who own and control financial and non-financial assets, the better educated professional and executive classes: all these groups have benefitted from greater income differentials. In a geo-political sense, the hegemonic countries led by the USA have profited. Economic elites in rising states, particularly China and Russia, have gained from the open market created by globalisation. Neoliberalism has given them: 'what they think they deserve'. The acceptance of competitive market conditions, by the same token, has given those who fail, 'what they deserve'.

Major Effects of Neoliberal Policies

States have strengthened property rights, and considerable destatisation of ownership, notably in the post-socialist states, has occurred. Marketisation has been extended in scope through the monetarisation in a wide range of services, from the introduction of charges for street parking to fees for education and health provision. Liberal market policies, adopted in societies such as China, have opened up the economy by rewarding entrepreneurship and enterprise; policies of the World Trade Organization have facilitated free trade and the movement of capital and labour which consequently led to the industrial development of Asia. Adding markets to state planning has led to economic development – notably, in China.

Neoliberalism has commanded wide support and, as a normative theory, has been adopted by a diverse set of political parties to shape public policy. Developments in all the former state socialist countries involved a regime change and the establishment (or reestablishment) of a capitalist class. Whereas in the Western European states, in contrast, the outcome resulted in the weakening of nation states and the rise of a transnational global class which identified with global networks. Following the institution of neoliberalism, political objectives have shifted. Moving from capitalism to socialism in the twentieth century has given way to replacing autocracy with democracy.

Given the widespread acceptance of neoliberal ways of doing things, why should we look for an alternative to neoliberal capitalism, where is there a place, if any, for noonomy? What is wrong with global capitalism and how can its faults be remedied? If we consider neoliberalism in the terms of its own assumptions about economic life, there are considerable shortcomings. I suggest that neoliberal capitalism has intrinsic faults as an economic theory. We need to define what they are, and how a noonomy approach might resolve them.

Faults in Neoliberalism

1. Methodological individualism. That is the assumption that economies are driven by fulfilling the economic priorities of individuals through market relationships.

The fault in neoliberalism is that it considers individuals who are assumed¹ to be equal in relation to the market, not organisations, corporations, classes or governments which, as economic actors, have different objectives and operational principles.

In neoliberal thinking there is an absence of holistic knowledge (considering the economy as a whole), only the sum of the perceptions of free individuals, fulfilling their ‘choices’ in the selection of goods and services. ‘There can be no collective consciousness superior to the aggregate of individuals’ interests’². ‘Wants’ may also be created artificially through advertising thus leading to spiralling demand for commodities. A concept of ‘society’ implies that a rational calculation can be made to fulfil human needs on a collective basis. As Sergey Bodrunov has pointed out, economies are entering an era when this would be practically possible [Bodrunov, 2024, p. 230]. Indeed, the premise of all modern governments is that they can act for the community.

2. A second consequence of neoliberal policies is the unjustifiable and growing unequal levels of wealth and income constituted by narrow ownership of wealth. Such inequality drives market forces distorting economic outcomes. Securing rights to private property is justified by von Mises and Hayek as a necessary condition for the development of capitalism.

For its initial rise, they have been correct. But the literature, going back to the 1930s, on the modern corporation and the separation of ownership from control [Berle, Means, 1932; Marris, 1964] puts in question whether private corporate ownership is any longer a necessary, let alone a positive, feature of a modern economy. Inheritance of capital assets breaks the link between the creators and beneficiaries of wealth and, over time, cumulatively creates a parasitical class living off the proceeds of unearned income. The uneven distribution of wealth and income leads to distortions in the use of economic resources not in keeping with economic justice or social needs. Consequently, social solidarity is undermined.

3. Neoliberalism assumes that the interests of communities can only be met through ‘spontaneous’ exchanges (what von Hayek terms catallaxies) ‘produced by the market through people acting within the rules of the law of property, tort and contract’³. It is through such mutual adjustments that economies are optimally coordinated. The approach overlooks imperfect knowledge on the part of actors, which may for example, lead to environmental damage. Financial markets involve spontaneous exchanges but not always of the virtuous kinds envisaged by writers like Milton Friedman. They promote computer-based trading in which speculators’ profit is derived from rises and falls of stock market prices. Unregulated profit driven development involves social costs, environmental damage and ecological destruction.

4. Recurring economic crises of capitalism lead to underutilisation of capital (slumps) and labour (under- and unemployment) resulting in a lack of social solidarity.

¹ Rodrik D. *The Globalisation Paradox: Why global Markets, States and Democracy Can’t Coexist*. New York: Norton 2011, particularly chapter 9.

² See discussion of the ways that von Mises’s thought has influenced the formation of a neoliberal sociological theory. Gane N., *Sociology and Neoliberalism: A Missing History*, *Sociology*. Vol. 48. Iss. 6. Pp 1092– 1106l (particularly Pp 1094–10955).

³ Hayek F.A. *Law, Legislation, and Liberty: A New Statement of the Liberal Principles of Justice and Political Economy*. Vol. 2 *The Mirage of Social Justice*. London: Routledge, 1976. Pp. 108-109. For an overview, see: Gamble A. Hayek and the Left. *The Political Quarterly*. 1996. Vol. 67. Iss. 1. Pp. 46-53.

The market is claimed to have self-adjusting mechanisms and countervailing forces which through marginal adaptations counter the sub-optimal use of labour and capital, such as structural unemployment and slumps. Equilibrium can settle at a below optimum level and is not corrected through the economic mechanism¹.

Hence countervailing economic forces do not stimulate a new higher economic equilibrium. Existing tendencies reinforce each other. Depressed economic areas do not stimulate reinvestment and growth, but cumulative decay, leading to massive disruptive migration. Initial inequalities are amplified in a pattern of circular and cumulative causation². Consequently, the market fails and the state has to intervene to break the inertia.

5. The vision of a global neoliberal economy creating wealth and a ‘democratic peace’ ignores the political and economic hegemony of the dominant states. Democratic peace pertains between the neoliberal-led states of the core but not between them and the rising ‘non-democratic’ states, as noted in point 4 above, existing inequalities between the politically hegemonic states at the core of the world system (particularly the USA and the UK) are exacerbated by the propensity of neoliberal economies to territorial enlargement. Consequently, challenges arise from, and even war breaks out with, the rising semi-core states.

Many of these features existed before, or are independent of, neoliberalism and globalisation, and it is important to distinguish between them. It is essential not to conflate all problems of the world and to attribute them to one single cause – ‘neoliberal capitalism’. As Karl Polanyi has emphasised, capitalism is embedded in historically and socially constituted institutions [Polanyi, 1957], which also contribute to social life. Neoliberalism constitutes a legitimating ideology of advanced capitalism and has had a profound influence in shaping not only capitalist societies but also on the views of its critics. Moreover, any credible alternative to neoliberalism, must be able over time to resolve these problems. It is here that Sergey Bodrunov’s and Sergey Glazyev’s approach becomes relevant and I draw considerably from their arguments. Noonomy counters the spontaneous and individualistic approach of neoliberalism. My proposal to move forward is to find spaces in the current economic structures through a hybrid type of economy.

Alternative Formations to Neoliberal Capitalism

What then of the alternatives to global neoliberal capitalism? While aspects of neoliberalism have influenced and even been absorbed into critical approaches, I can identify eight major economic and political options. These are not mutually exclusive categories but more or less coherent ways of thinking about how alternative economies might be structured and coordinated. The approaches address different outcomes of neoliberal policies and some aspects may be compatible with liberal forms of capitalism. Here I briefly outline these approaches which are described in detail in my book; I discuss in more detail regulated market socialism which is a hybrid system compatible with a noonomy approach.

¹ See discussion in Keynes J.M. *General Theory of Employment, Interest and Money*. Pp. 249–254. Robinson J. *The Economics of Imperfect Competition*. London: Macmillan (2nd edn), 1969. 352 p. Robinson J. showed how imperfect competition led to firms producing below the optimal level.

² Here I follow the reasoning of Gunnar Myrdal, *Economic Theory and Underdeveloped Regions*. London: Duckworth, 1957. The self-sustaining and cumulative process of inflation, which was particularly applicable to the post-socialist economies in the early years of transformation, has a similar effect.

Alternative forms OF capitalism

1. Social democratic corporatism: coordination based on a coalition of stakeholders – socialist parties, trade unions, business pursuing profit, and government acting as the chief coordinating body). Mainly production of exchange values, state redistribution (welfare state).

2. State-capitalism (state ownership and control of economic assets, coordinated by planning, realising surplus for the benefit of a state bureaucracy). This social formation should not be conflated with state capitalism in the general sense of the state having economic power].

Alternatives TO capitalism

1. State socialism (state ownership and direction of the economy organised on a comprehensive plan putting into effect socialist objectives. In this social formation there is production of use values).

2. Market socialism (public ownership with maximum market competition and minimal collective coordination).

3. ‘Fully automated’ communism. (Post-capitalist society predicated on automation and AI which form the technological base to a society without scarcity and the need to work).

Hybrids: Mix of capitalism and non-capitalist coordination

1. Autonomous self-sustaining economies (exchange networks of self-sufficient, self-governing economic and social actors) operating within capitalism.

2. State-controlled capitalism (politically-led state institutions directing private and/or quasi-state corporations operating for profit).

3. Finally, regulated market socialism (macro socialist state plan, mixed ownership, retail markets). A transitional stage to socialism which is what I discuss here in more detail.

Regulated market socialism

Here are the political spaces for an alternative form of advanced industrial society as proposed by Sergey Bodrunov. Such divisions provide spaces for alternative developments, for a counterpoint. Global ideational norms, principally neoliberalism, are confronted by other civilisational ideologies, to which noonomy contributes. The rise of a hybrid world system gives opportunities to the semi-core states to enhance their own economic, political and civilisational institutions along the lines suggested by Bodrunov. Notably a shift to reindustrialisation, a greater social solidarity predicated on state forms of coordination with lower differentials of income and wealth. Noonomy in general refutes the spontaneous and individualistic approach of neoliberalism. The challenge for noonomy is to define itself as a realistic and credible alternative to global neoliberalism.

The problem to be addressed is how to transcend contemporary global neoliberalism in the advanced capitalist countries, such as Russia, the USA and UK. We are not concerned here with rising countries of the global South. The aim is to institute policies which will abolish the class exploitation of labour, improve human well-being, avoid economic disruption and prevent political sabotage and minimise social conflict. Regulated market socialism is proposed as an economic system offering the advantages of a planned economy and the retention of consumer choice and individual entrepreneurship in the market sector. Here I follow the idea, proposed by S. Bodrunov of a ‘synthesise of planning and market regulation’[Bodrunov, 2023, p. 221].

I propose two coexisting systems of economic coordination. Planning is exercised at the macro level of states, while markets and networks promote individual achievement and satisfy

consumption at the micro level. It revises market socialism by limiting market competition and strengthening the level of state planning. The rise of computerisation and artificial intelligence has made planning at the state level much more efficient and effective. Reindustrialisation based on high-tech development and a rising GDP should be, as Sergey Bodrunov suggests, at the ‘very heart’ of an economic development model [Bodrunov, 2023, p.140]. Industry is crucial for developmental and security purposes. This kind of technological revolution, under state guidance, would follow countries such as South Korea and China. There is also the factor of growing abundance brought about by developments in the level of productive forces through artificial intelligence and automation. Bodrunov mentions these developments when he considers a ‘new rationality’ [Bodrunov, 2023] which directly satisfies human needs. Though this is some way in the future, the rise of ‘automated communism’ [Bastani, 2019] would occur in the public sector, as market relations would not be profitable.

A ‘social state’ is envisaged as a post-capitalist socialist political and moral order – without losing the satisfactions of a pluralist consumer society. Economic surplus, made available from public ownership, plus tax revenues, is allocated through a state plan. Socialist planning is revisited in the context of computerisation. The justification for public ownership is that it can perform more efficiently and effectively than private ownership. It is proposed for major economic corporations selected on the basis of economic failure or lacking in public responsibility. The private retail sector continues and functions through markets. The economic moral order of self-motivating individualism is retained and the political order of democracy, competitive political parties, is extended to include participation in work institutions (economic democracy). Socialist democracy then commands the high moral ground. As I pointed out in an earlier paper: to capture the hearts and minds of the people, any alternative has to have an ideational appeal. Consumer society continues. Life must appear more fulfilling and satisfying than at present. Socialism develops in a democratic society with a competitive electoral political system.

What influences my conclusion is a need to avoid the adverse consequences of 20th century socialist revolutions, which have occurred in Russia and China. In the transitional period, it is crucial to prevent civil war, to avoid economic discord and positively to improve economic welfare. Life should improve under socialism. These proposals reduce the absolute and relative distribution of income and inherited wealth and in so doing enhance social solidarity. It is important not to threaten citizens who possess personal assets through their own savings and labour, including those who have built up (or intend to create) small- and medium-sized businesses; initiative and innovation should not be penalised. Nationalisation of property would be limited to assets that create illegitimate social privileges to the detriment of the great majority or to wealth that presents an obstacle to economic progress. The objective is to create a political and social base of support for the transfer of ownership and control of corporate private property. It would allow, even increase, the use of economic surplus which furthers economic development and concurrently would limit and control levels of economic exploitation. Profits in the private sector would continue to be subject to taxation as they are under competitive capitalism.

For companies that are transferred to public ownership, appropriate compensation could take the form of bonds on which interest would be paid from future earnings of the company. The overwhelming majority of the population would not be under any threat of being dispossessed of their personal possessions. Corporations to be nationalised would have immediate benefit to the public.

Forms of electoral competition would continue giving citizens the opportunity to modify, even reverse, the changes. As electoral democracy is not threatened, opposition to the installation of a 'totalitarianism' society would be disarmed. Practices of democratic participation could be widened to include employee participation in economic enterprises. Such proposals have the great advantage that a transition could take effect within the existing political framework, it would preserve economic and political stability and have immediate positive effects. The absence of political violence in contemporary electoral systems would help minimise it during the transition [Chenoweth, Stephan, 2011]. This strategy is likely to appeal to the sentiments and dispositions of people who have been socialised into believing that democracy, creativity and self-improvement have merits.

Planning at the macro level, coexisting with markets at the micro level, leads to a hybrid form of economic coordination – regulated market socialism. The state would channel direct investment according to a long-term plan, taking account of social costs, technological developments, geographical location and the need to maintain a full employment economy. The market economy would function for small and medium size business and continue at the core of a consumer society. It would provide an arena for innovation and entrepreneurial effort. The form of regulated market socialism I have outlined is intended to move in the direction of socialism within capitalist market societies with established party-based electoral political systems.

My proposals are more than 'stakeholder capitalism' [Hutton, 2015, p. 141]. The state would have a comprehensive purposive planning role and would be a major actor with considerable ownership of industrial and financial assets. The economic plan would define the parameters of the market. As wealth increases, so would the free supply of collective goods (health, education, pensions, economic welfare) and a universal basic income could be introduced. As technology develops, the working day could be shortened. Such measures would result in a cumulative reduction in surplus value, of profit.

Following Bodrunov, satisfying human needs would be a prime motive of the economic and moral order. Distribution of retail products and services (from the public and private sector) would be coordinated by the market. A pluralist competitive system of political parties would continue. Economic strategy would be grounded on a coherent developmental policy, with economic democracy.

You may think that all this is wishful thinking. Such views have little political support. They do not figure on the agenda of any political party. There is widespread inertia. Established neoliberal forces appear ideologically and politically superior. In all these respects, you would be absolutely correct. But note the following: 'Only a crisis actual or perceived produces real change. When that crisis occurs, the actions taken depend on the ideas that are lying around. That, I believe, is our basic function, to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable' [Friedman, 1962, p. 7]. The quotation is not from Marx, Lenin, Mao Zedong or Sergey Bodrunov but from 'Capitalism and Freedom', the handbook of neoliberalism, written in 1962 by Milton Friedman. Taking the cue from Milton Friedman, we might conclude that noonomy, which now appears 'politically impossible', might become 'politically inevitable'.

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