

THE MARKETISM CONUNDRUM: HOW TO PROACTIVELY ACHIEVE PROPORTIONALITY IN INSTITUTIONS?

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Abstract

Rather than facing neoliberalism and markets as two-sides of the same capitalistic coin, the paper acknowledges that neoconservatism also should be involved in the conversation as a comparison of ideologies. As a way to move beyond the current left vs. right political spectrum, a new contrast is presented between the precautionary and proactionary principles, through the work of Steve Fuller. Likewise a way to measure the institutionalisation of precautionary and proactionary principles is confronted in the Institutional Matrix Theory of Svetlana Kirdina. The paper concludes by suggesting that a post-neoclassical approach aimed at achieving proportionality can provide benefits in both research and practise by harmonising the dynamics of institutional change in the areas of politics, economics and ideology.

Keywords: Ideology, Neoliberalism, Neoconservatism, Systems, Western, Eastern, Global, Proactionary, Precautionary, Institutions, Post-neoclassical, Proportionality.

Introduction

“The market is not an invention of capitalism. It has existed for centuries. It is an invention of civilization²”

Mikhail Gorbachev

“Capitalism has always been with us, since the caves³.”

Deirdre McCloskey

This special edition of *Topos* raises a significant challenge in identifying the social and anthropological implications of marketism. Markets have existed in a variety of forms throughout

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² Statement (8 June 1990), as quoted in *The Economics of the Environment and Natural Resources* by R. Quentin Grafton, Wiktor Adamowicz, Diane Dupont, Harry Nelson, Robert J. Hill and Steven Renzetti, Wiley, 2004: p. 277.

³ “It was Ideas and Ideologies, not Interests or Institutions, which Changed in Northwestern Europe, 1600–1848.” // *Journal of Institutional Economics*, Vol. 25, Issue 1, 2015: pp. 57–68.

human history. Yet the particular 'system' in which natural resources, producer and consumer goods, capital and societies interact has differed across time and nation.

This paper explores the conversation as one belonging first and foremost to studies of politics, economics and ideology. While marketism is the main object of interest in the paper, we also note that too often people fail to acknowledge the proliferation of 'neoconservatism' as an alternative to 'neoliberalist' ideology. What problems does acknowledging neoliberalism alone specifically address in the socio-economic-political realm and how does including neoconservatism influence the conversation?

Many further questions arise. What does 'marketism' represent and what is it opposed to? Is it a non-Marxist or a post-Marxist idea? Is it simply an inevitable global outgrowth of USAmerican⁴ economic pragmatism? Is it the only possible dominant ideology that people can believe in today's 'capitalist' societies? Do 'market forces' result in high levels of socio-economic inequality as their necessary by-product? If so, is this a welcome stratification in proportion with non-market forces? If not, what are the limits and possibilities of markets, particularly when it comes to developing post-modern (electronic-information era) societies? These questions and more will remain in the background of this paper as it raises a 'non-western' development approach to the main theme.

This paper continues the work of a previous article⁵ comparing the ideas of Chinese social philosopher Wei Xiaoping⁶ and Russian economic sociologist Svetlana G. Kirdina⁷. It thus displays a view of 'markets' and '(re-)distribution' from 'non-Western' perspectives by authors hailing from countries that have been highly skeptical of 'western' marketistic strategies. Yet at the same time, it seeks a middle way through dialogue with western thinkers, in this case with the USAmerican-British social epistemologist Steve Fuller. Nevertheless, I do not take a pro- vs. contra-view of ideological marketism, but rather frame the conversation simply as if an alternative to marketism is actually possible.

At the core of the paper is the basic statement: anti-marketism and marketism are neither western nor non-western. Both western and non-western or Y- and X-matrix countries manifest markets and the limits of markets in various ways. Every economy and polity is a mixture of institutions, rather than a monolithic purely 'capitalist' or 'socialist' ide-

⁴ I prefer the term 'USAmerican' to the conventional 'American' because the former more carefully specifies the United States of America, rather than people from the other 34 sovereign nation-states in the Americas.

⁵ Sandstrom, Gregory: "Instead of Capitalism vs. Socialism: A Proportion-Seeking Review of Two Contemporary Approaches in China and Russia." *Montenegrin Journal of Economics*, 2012, Vol. 8, No. 4: 43-60.

⁶ Wei, Xiaoping: *Rethinking China's Economic Transformation*. New York: Global Scholarly Publications, 2010.

⁷ Kirdina, Svetlana G.: "A shift in the prevailing institutional models of the global order: is a new cycle starting?" In: *V Forum of Leading Economists from China and Russia*, Beijing, 2012.

ological system. In this way, one can be critical of marketism especially when displayed in the excesses, while also supporting a complementary role between markets and (re)distribution of natural resources, goods, capital and relationships in various global, regional and national societies.

Ideological Concerns

“The worst error of all is to suppose that capitalism is simply an ‘economic system,’ whereas in fact it lives off the social order, standing almost on a footing with the state, whether as adversary or accomplice⁸”

Fernand Braudel

Many languages use the term ‘-ism,’ yet have substantially different views of what constitutes ‘ideology’ than the English meaning of words that end in ‘-isms.’ English language is unique in its broad signification of ideology, though it takes linguistic roots from the Greek *-ismós* and the Latin *-ismus*. For the purposes of this article, an ideology is denoted by the suffix ‘-ism’⁹. A list of English ‘-isms’ is collected here¹⁰.

The way I define it, ‘ideology’ is a way of cognitively organizing (cf. cataloguing, structuring, informatively filing, making sense of) one’s ideas, whether based on a particular concept (e.g. nature, societies, economies, politics or humanity) or within a system or school of thought. It can also, however, be defined pejoratively as a way of (intellectually) over-extending one’s particular idea(s) into an inappropriate realm or field of knowledge in violation of that field’s sovereignty. Thus, when we speak of capitalism, neoliberalism, neoconservatism, consumerism or marketism, what is intended in English is an ideology, a philosophical system, a way of life, school of thought, paradigm, etc.

Accordingly, ‘marketism’ is then defined as an ideology that tries to explain human interaction entirely (or just dominantly) in terms of markets (i.e. capital, labour, finance, economics, etc.), perceiving all relationships as parts of a general or specific market, or as that which can be bought, sold or traded. In other words, according to ideological marketism there is nothing human that is not ‘marketisable’ or that cannot be ‘marketed.’ An ideological ‘marketist,’ then, is someone who promotes the ideology of ‘marketism’ in which more and more features of human existence can and should be ‘marketised.’

⁸ *Civilisation and Capitalism*, 1979, Vol. 3.

⁹ With the caveat that several English words ending in ‘-ism’ are not usually considered ideologies: metabolism, organism, mechanism, aneurism, terrorism, criticism, catechism, electromagnetism, autism, solipsism. Likewise, examples of ‘-ists’ that do not signify ideologists (usually working professionals): artist, violinist, journalist, scientist, therapist, typist, terrorist catechist.

¹⁰ P. Saint-Andre: *The Ism Book: A Field Guide to Philosophy*, available at: <http://ismbook.com/ismlist.html>, retrieved November 01, 2015.

A major challenge for this special edition is therefore to identify how marketism impacts humankind and to explore what legitimate alternatives are currently available. Is it even possible to view human existence 'outside' the reach of markets? Albert de Swaan, who some people say coined the term, wonders how marketism "has gotten such a hold of the people, even though one should know that it is in many ways an illusion¹¹." Drawing out from this comment, how can people think about extra-market realities of socio-economic and political life? What else than 'market' is there? If people are always and everywhere 'inside' of markets, don't they necessarily accept ideological marketism?

When asking these questions, the old mid-late 20th c. Cold War dichotomy still often seems to hold sway over many academic and popular commentators regarding the reach and importance of markets for the global economy. The notion that capitalism was victorious and that socialism was forever defeated has been promoted widely and loudly in some 'western' societies as an ideologically valid (anti-Marxist or anti-Communist) still current position. Does that make it the only possible social scientific (or politically valid) position to hold nowadays? No. Yet it is only with proper framing of this background context that effective understanding of marketism, whether neoliberal or neoconservative or something else can take place.

Neoliberalism, Neoconservatism and the New Left-Right Spectrum: Proactionary and Precautionary Principles

"The precautionary wishes to return us to our biological origins, the proactionary to take us as far away from them as possible through endless acts of self-transcendence¹²."

Steve Fuller

In order to understand marketism, one needs to clarify in which political-economic-ideological framework they identify it. Does it make much difference if marketism is applied in a majority liberal or conservative environment? Both liberal and conservative political platforms have been promoted in 'western' and 'non-western' (eastern or 'the rest') nation-states. On the one hand, Neoliberalism has been said to signify "the pursuit of the disenchantment of politics by economics¹³," while on the other hand neoconservatism echoes a "desire for stronger

¹¹ Translation courtesy of Tom Kando: T. Kando. Marketism and Marxism, <http://european-americanblog.blogspot.it/2010/11/marketism-and-marxism.html>, retrieved November 06, 2015.

¹² A. Briggles, S. Fuller, B. Holbrook and V. Lipinska: Exchange on Holbrook and Briggles' 'Knowing and Acting' // *Social Epistemology Review and Reply Collective* 2 (5), 2013: 40.

¹³ D. William: *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition*. London: Sage, 2014: 4.

governance¹⁴ than typical in the highly individualised but also chaotic western ‘liberal’ nation-states.

Oftentimes my European colleagues forget to discuss ‘neoconservatism’¹⁵ and instead only link marketism with neoliberalism. From this author’s Canadian-in-Eastern-Europe standpoint, however, such a blind spot misses the vast spectre of the so-called ‘neocons’ and omits the actual role they’ve played in shaping the post-9/11 domestic and world community. The notion that neoconservatism may promote marketism even more strongly or effectively than neoliberalism seems to escape many European observers.

The term ‘neoconservative’ in the USA evokes particularly strong reactions from both sides¹⁶, given the role of George W. Bush’s (2001–2009) neoconservative regime. The USA’s aggressive foreign policy and international regime change strategy under Bush according to their self-proclaimed ‘war president’ is commonly linked with the infamous “Project for a New American Century”¹⁷, which invokes the ideology of ‘American exceptionalism’, “American global leadership” and implies ‘western’ superiority. Irving Kristol, the so-called ‘godfather of neoconservatism’, labelled it ‘distinctly American’, suggesting that neoconservatism means “conservative politics suitable to governing a modern democracy”¹⁸, i.e. like the USA. That is, unless one considers the USA today more of a plutocracy than a democracy, in part due to both neoliberal and neoconservative government policies, a rapacious financial and insurance system, exploitative corporate interests, the power of political lobbyists and an inequity fractured populace that wants to have a judge-inspired reality show election decide USA’s President.

Yet just as there is no ideal type of neoliberalism or neoconservatism in practise by a single nation-state, there is also never a pure capitalism or a pure socialism in any society or nation. Those who still claim that capitalism triumphed over socialism which marks the symbolic end of the Cold War and now a ‘free market’ liberal ‘end of history’¹⁹ are therefore stumped when facing active, living ‘social democratic’ principles, e.g. in the case of Scandinavian countries and ideological push back against neoliberalism, e.g. in Latin America and Eastern Europe. Even

¹⁴ I. Kristol: The Neoconservative Persuasion // *The Weekly Standard*, 2003, Vol. 8, No. 47, <http://www.weeklystandard.com/Content/Public/Articles/000/000/003/000tzmlw.asp#>

¹⁵ B. C. Thompson, C. Bradley: Neoconservatism Unmasked // *Cato Unbound: A Journal of Debate*, 2011, <http://www.cato-unbound.org/2011/03/07/c-bradley-thompson/neoconservatism-unmasked>)

¹⁶ This speaks to the unique ‘two-party’ system in the USA, where even though minority parties are legally allowed, the political landscape is dominated by the ‘Democratic’ (Left-wing Liberal) and ‘Republican’ (Right-wing Conservative) parties.

¹⁷ Statement of principles from the archived PNAC website: <https://web.archive.org/web/20130609155055/http://www.newamericancentury.org/statementofprinciples.htm>

¹⁸ Op. cit.

¹⁹ F. Fukuyama: *The End of History and the Last Man*. New York: Free Press, 1992.

in predominantly ‘capitalistic’ nations, like Canada and Australia, elements of social ownership, group rights and collective responsibility are present, such as education, health care, transportation, military, and, of course, in taxation by government agencies.

And yet in the USA, the anti-marketist or at least more social approach to governance and citizenship has been swallowed up with an over-simplified distinction between Left (liberal, Democrat) vs. Right (conservative, Republican). The discourse of Left vs. Right, however, looks significantly different in Europe, where Leftist parties sometimes appear Right-leaning and vice versa. How then can we distinguish a Leftist from a Rightist, a society-oriented economic approach from a marketist one, a neoliberalist from a neoconservatist policy?

Alternatives are available to look beyond Left and Right²⁰, such as toward the proactionary and precautionary principles advocated by USAmerican-British social epistemologist Steve Fuller²¹. Fuller believes that in the current transformation to what he calls ‘Humanity 2.0’²², many risks will have to be undertaken by people for the sake of greater humanity. In other words, the ‘invisible hand of the market’ cannot reign entirely where conditions of social accountability are ultimate and whenever marketism reaches its limits. Risks such as undertaking progressive medical experiments, including implantations, genetic engineering, nanotechnologies, etc. will require proactive experimentation with consenting human beings, rather than only laboratory animals or plants. This situation will in the long (or in some cases short) run create a new political spectrum in which people who are willing to take risks for the potential collective good can be distinguished socially and economically from those who are not.

Based on the ‘proactionary’ category proposed by the philosopher Max More²³, Fuller applies the term specifically to activities under uncertainty and risk, as if risk can be filled with opportunity, rather than only threat. “Not everyone is completely precautionary or proactionary but they start from one or the other position,” says Fuller. “What is your existential response to uncertainty: threat (precautionary) or opportu-

²⁰ E.g. A. Giddens: *Beyond Left and Right — the Future of Radical Politics*. Cambridge: Polity, 1994.

²¹ S. Fuller, V. Lipinska: *The Proactionary Imperative: a Foundation for Transhumanism*. Basingstoke, UK: Palgrave Macmillan, 2014.

²² S. Fuller: *Humanity 2.0: What it Means to be Human Past, Present and Future*. Basingstoke, UK: Palgrave Macmillan, 2011.

²³ “People’s freedom to innovate technologically is highly valuable, even critical, to humanity. This implies a range of responsibilities for those considering whether and how to develop, deploy, or restrict new technologies. Assess risks and opportunities using an objective, open, and comprehensive, yet simple decision process based on science rather than collective emotional reactions. Account for the costs of restrictions and lost opportunities as fully as direct effects. Favor measures that are proportionate to the probability and magnitude of impacts, and that have the highest payoff relative to their costs. Give a high priority to people’s freedom to learn, innovate, and advance.” (“The Proactionary Principle, Version 1.2,” 2005, Retrieved: November 3, 2015: <http://www.maxmore.com/proactionary.html>)

nity (proactionary)?²⁴ Here we see a provocative spectrum of choices for the polity in service of a greater humanity, rather than a mutually exclusive set of individualist attitudes simply competing for 'market share'. The significant questions Fuller's approach enables in terms of politics, economics and ideology are whether or not one can be both precautionary and proactionary at the same time, and when, where or how to do this.

Returning to the main theme with this in mind, can one proactively promote (re)distributism beyond markets? The key point seems to be how one values risk and reward in the developmental context of changing and improving any particular national or global socio-economic condition. How can we value human community without aiming to exploit others based on our apparently 'normal' market-oriented desires for profit and a higher standard of living?

The most difficult questions therefore remain. What kind of proactivity is preferred and deemed worth the risks to individuals by a society? Who chooses, governs and manages the risks and uncertainties and how should these persons be politically elected or appointed? Will certain people be forced to take risks because of their lower socio-economic position, just as participation in market exchanges is inescapable for most people globally today? To answer these questions, we must confront the particular power structures (hierarchical, heterarchical or otherwise) and institutions that operate in capitalistic or socialistic, neoconservative or neoliberal, market-based or socially-(re)distributive systems.

Many further questions emerge. Which societies or communities are currently trying to become more 'liberal' or more 'conservative'? Which nation-states now wish to promote ('western') market principles and which would rather recognise more ('eastern') extra-market principles and development opportunities for their citizenry? How can precautionary and proactionary imperatives play out on the political level by leaders and citizens in western, eastern, northern, southern and globally-committed nation-states? These significant questions aim at promoting dialogue in this special edition.

As an overall program, I am not sure that Fuller's 'new spectrum' offers a more coherent understanding of political organisation than the traditional left-right spectrum. Both neoliberal and neoconservative 'western' political ideologies embrace marketism and I've yet to hear Fuller address how proactionary and precautionary approaches may in any way avoid it. His alternative spectrum does nevertheless raise interesting questions about the factor of pro-activity in contrast with conservative pre-cautionary or in-active political tactics, even when found in the highly marketised liberal-environmentalist movement. Simply encouraging more people to take calculated risks for the benefit of humanity may sound noble and humanitarian. Yet the reward for promoting more (mainly genetic) risk-seeking might not pay out in the

²⁴ Briggie et al. Op cit.: 41.

long-run if it indeed through loose cannon activists threatens humanity with extinction or collapse.

Institutional Matrices Theory: A Sustainable View from the 'East'?

“The theory of institutional matrices attempts to describe social reality as two united wholes regarding how to strive for harmony of social development with complementary alternatives presented by two types of institutional matrices²⁵.”

Svetlana G. Kirdina

One non-marketist, post-Cold War, 'eastern' approach that has gained attention for its inventiveness and attempt at achieving balance is Svetlana Kirdina's 'institutional matrices theory' (IMT) or X&Y theory. Originally presented in 2000 at the First Russian Sociological Congress in St. Petersburg, it is a 'non-western' alternative to world systems theory inspired by Tatiana Zaslavskaya, renowned economist who penned the acclaimed Novosibirsk Manifesto²⁶. This 'Manifesto' offered a unique vision of the post-Soviet changes to come for politics, economics and ideology in the USSR.

IMT's X- and Y-distinction (analogically modelled on X- and Y-chromosomes and the two hemispheres of the human brain) suggests that in all countries a combination of institutions displays proportionality wherein both complementary and dominant institutions engage in on-going dynamic interplay along the lines of economics, politics and ideology. In this way, the oppositional Cold War (or 'east' vs. 'west') dichotomy is overcome because even in so-called 'capitalist' nation-states, at least some 'socialist' (or social democratic) policies are implemented and executed by the governing regimes, even in 'western' countries today. The same relationship of complementarity and dominance is said to hold true for 'anti-neoliberal' nation-states, given that there are liberal elements in even the most conservative societies.

The added bonus, for the purposes of this paper, is that the conversation then does not focus mainly on the limits and possibilities of markets. Kirdina's theory does not prioritise 'markets' as either 'western' or 'eastern,' but rather recognises, as did Gorbachev above, that X- and Y- matrix institutions always and everywhere involve both markets and

²⁵ S. G. Kirdina: *Institutional Matrices and the Development of Russia: Introduction to X&Y Theory (Institutionalniye matritsui i razvuitiye Rossia: Vvedeniye v X-Y Teoriyu)*. 3rd Edition, St. Petersburg: Nestor-Historia Publishing, 2014: 358.

²⁶ This document was leaked to 'western' media after it was presented at a conference and its ideas became linked with the project of 'perestroika', Zaslavskaya being a confidant and advisor of the last General Secretary of the Communist Party, Mikhail S. Gorbachev.

(re)distribution, based on various economic schemes to transfer goods and services.

Kirdina's model intentionally avoids terms like democracy, oligarchy or plutocracy, (neo)liberalism, (neo)conservatism, relativism, marketism, Left and Right to focus instead on the actual institutional statics and dynamics that constitute societies and nation-states. The main question for Kirdina's scheme is how to recognise the (dis)proportionality of an X- or Y-matrix dominant country and then to proactively develop solutions based on steps that need to be taken to achieve the nation-state's (or region's) goals given the local resources, traditions and capacities. The priorities for a sovereign nation's development can only be defined and chosen internally, not imposed externally by people who do not understand the particular local-regional-national institutional dynamics and traditions.

Kirdina's Categories in 3 Institutions

Table 1. Institutions of X- and Y-matrices in the economy and their functions

Functions of economic institutions	Basic institutions of X-economy	Basic institutions of Y-economy
Transfer of goods and services	Redistribution (accumulation-coordination-distribution)	Exchange (buying-selling)
Regulating access to goods (property rights system)	Conditional Supreme ²⁷ Ownership	Private Ownership
Interaction between economic agents	Cooperation	Competition
Labour system	Position (unlimited term)	Contract (short & medium term)
Feedback loops (effectiveness indexes)	Cost Limitation (X-efficiency)	Profit Maximization (Y-efficiency)

²⁷ Kirdina uses here and elsewhere in her categories a definition that, largely unfamiliar with most English speakers, requires familiarity with Russian socio-economic-political discourse. More in-depth acquaintance with her ideas can be found at: <http://kirdina.ru/>

Table 2. Institutions of X- and Y-matrices
in polity and their functions

Functions of political institutions	Basic institutions of X-polity	Basic institutions of Y-polity
Territorial organization of the state	Unitary Administration	Federative Structure
Governance system (decision making flows)	Vertical hierarchical authority (with centre on the top)	Horizontal heterarchical authority and subsidiarity (distributed centre)
Access to governing positions	Appointment	Election
Type of interaction in the order of decision making	General assembly with unanimous rule	Multi-party system with democratic majority rule
Feedback loops	Appeals to higher levels of authority	Legal suits

Table 3. Institutions of X- and Y-matrices in ideology
and their functions

Functions of ideological institutions	Basic institutions of X-ideology	Basic institutions of Y-ideology
Core principle of social actions	Collectivism	Individualism
Normative aims of social structure	Egalitarian	Stratified
Prevailing social values	Order	Freedom
Principles of common thinking	Integralism (holism, continuity)	Specialism (reductionism, discreteness)
Labour attitudes	Well-being Oriented	Pecuniary Oriented

The link between Kirdina's IMT and Fuller's precautionary/proactionary distinction offers a curious exploration of epistemological and economical ideas. While most scholars accept that economics is in the end a 'humanistic' discipline, they nevertheless debate about which approach(es) should be taken to address the heart of society's present concerns. Fuller's view challenges Kirdina to create a dynamic understanding of institutions, while Kirdina's approach provokes Fuller to recognise the institutional continuity and pathways of human creativity.

Commentary on these tables in both Russian and English is available elsewhere²⁸. Many questions arise because Kirdina's model does not recognise both-dominant or both-complementary national institutional development. In other words, according to Kirdina, any given nation-state represents *either* an X-dominant/Y-complementary *or* Y-dominant/X-complementary institutional matrix. Thus, in practical terms where does a country like Ukraine fit into such a model or what about Mexico, Egypt, Israel or Belarus? Kirdina offers simple and specific answers, claiming that Mexico, Latin America, large parts of Asia and Egypt are X-matrix countries, while the USA, European countries, Canada, Australia and New Zealand are all Y-matrix nation-states. Thus, the main issue for formulating proactive solutions to national development according to this model is to search for how to find the best 'proportional' growth possible for current institutions according to politics, economics and ideology in both market and extra-market activities.

According to this 'non-western' model, the claim that China's economy is now actually best described as 'market-oriented' is thus seen as merely deceptive self-serving rhetoric by western marketists. China does have markets, as do all countries. But it is one of the primary X-matrix countries in the world in how it delegates power and resources, serves its citizens and envisions the future of geo-politics, economics and ideology. The notion of 'socialism with Chinese characteristics' is therefore still expressed, as seen in the works of Wei, writing: "a socialist market economy with a Chinese characteristic has achieved great success, or at least great success in economic development²⁹."

When taking into consideration the IMT model, the main question for marketists and both neoliberal and neoconservative 'western' thinkers is whether or not they can allow an alternative to their Y-matrix institutional approach. Can global (multinational) institutions possibly find different solutions for humanity than those of the USA-led 'end of history' narrative envisioned by neocon Francis Fukuyama (1992)? If so, then the single 'evolutionary' pathway into western marketism in such a scenario would lose its appeal globally, while new X-matrix dominant models of civil society, governance and economics gain wider approval. 'The west' then might find a better global proportional balance with 'the rest' when it realises that following marketism it has grown institutionally disproportionate itself and with the world and needs to gain a better sense of proportion.

²⁸ S. G. Kirdina, G. Sandstrom: Institutional Matrices Theory as a Framework for both Western and Non-Western People to Understand the Global Village, MPRA, 2010, Link: <http://mpra.ub.uni-muenchen.de>

²⁹ Op. cit.: 76.

Proportionality without Proportionalism

“In my view what you can’t argue for is a system that is neither decisive nor proportional and can be indecisive and disproportionate at the same time³⁰.”

William Hague

The best alternative when taking into account marketism and (re) distributism seems to hold a both/and instead of either/or approach. *Both* capitalism *and* socialism, *both* Left *and* Right, *both* precautionary *and* proactionary, *both* markets *and* (re)distribution can be considered together on a scale of social-economic proportionality. This means that one cannot avoid either ‘side’ of the spectrum at least to some degree. Instead, the most effective integral approach is to explore how institutions in a society or nation have grown ‘disproportionate’ and then to attempt to correct them using both top-down and bottom-up mechanisms in politics, economics and ideology.

The crucial feature of proportionality is to recognise that choices and actions on both individual and social levels necessarily affect socio-economic institutions. Thus, corporate decision-making and political lobbying can significantly influence the proportional balance of institutions in economics and society. Let us not be deceived by this. The biggest question for this paper then is how to balance market realities with extra-market social needs and trends.

According to marketist ideology, one may argue that the wealthiest 1% actually ‘deserves’ their land and capital due to how much their activities are valued in certain markets. Anti-marketist ideology, on the other hand, rejects such income and property inequality as rather an example of unjust disproportionality wherein certain activities and persons are wrongly (according to civil society) valued above others. Who is right and who is wrong when issues like altruism, work ethic, durability, luck or ‘fortune’ are taken into account? Should rule-following members of a given society or community be somehow socially rewarded for their efforts and actions compared with rule-breakers and risk-takers? Or is a ‘survival of the fittest’ Victorian-era individualist ‘evolutionary’ principle (still) expected to guide all societal development worldwide?

Let me affirm that proportionality in the socio-economic realm can be sought without necessarily sliding into what is known as ‘proportionalist ethics’ (cf. Hoose³¹ 1987). I am thus unequivocally not suggesting that ethical proportionalism should become the guiding principle of markets or societies. Rather, proportionality can be sought as a legitimate framework beyond what neoclassical economic models currently envision with (utility) maximisation, full information, rationality criteria

³⁰ The Andrew Marr Show, BBC News, Interview, April 24, 2011, http://news.bbc.co.uk/2/hi/programmes/andrew_marr_show/9466895.stm

³¹ B. Hoose: *Proportionalism: The American Debate and Its European Roots*. Georgetown University Press, 1987.

and ‘equilibrium’ approaches. The ‘heterodox’ in more and more cases is no longer as ‘unorthodox’ as a generationally passing clan of world economists might wish us to believe.

Proportionalism as an ethical ideology has been condemned by the Catholic Church³² for willfully betraying moral absolutes. Basically, it means trying to justify morally wrong kinds of behaviour via relatively good collective effects in society. Thus, it is said to promote a ‘greater good’ or ‘lesser evil’ at the cost of religious ethics. I am not suggesting proportionalist ethics is an appropriate solution to counter the current views of marketism or neoliberalism, but rather a new type of institutional proportionality for social sciences and humanities.

And yet here’s where things get more complicated regarding politics, economics and ideology. Many proponents of marketism would seek to label ‘proportionality economics’ as unjust because it privileges those they think do not deserve. The same is said of affirmative action politics. Yet the claim is usually made based on an outdated 20th century dichotomy between socialism and capitalism, which is no longer supreme in our 21st century global village today. Thus, we can look for a new image of society with the help of ‘progressive’ or ‘developmental’ ideas, such as proactionary efforts seeking proportionality within institutional matrices³³.

Let us not forget the famous phrase by Louis Blanc (1851), popularised by Karl Marx (1875): “From each according to his [sic] ability, to each according to his need.” And likewise note that the basic Biblical notion “if any would not work, neither should he [sic] eat³⁴,” can easily slip politically into what Trotsky warned: someone “who does not obey shall not eat³⁵.” The risks and opportunities of proportionality-oriented social theory arise from those who navigate and explore which ‘proportions’ are believed better suited for linguistic, ethnic, legal, religious and cultured people, communities, societies and modern nation-states in economics, politics and ideology. What is needed, therefore, is a new understanding of work, career, labour and proactive contribution to society taking into account proportionality beyond marketist or (re)distributist ideologies.

Fuller’s proactionary imperative helps us to re-think the social philosophical future we want to try to build facing many existential dangers and risks on the road to ‘Humanity 2.0.’ Kirdina’s IMT enables a more grounded nation-based sociological exploration of the limits and possibilities of markets and societies via proportionality-based institutional thinking. Whether these approaches are deemed ‘western,’ ‘non-western’ or ‘eastern’ by some advocates of marketism or (re)distributism still remains open for discussion.

³² Pope John Paul II, *Veritatis Splendor*, 1993.

³³ This formulation applies proactionary ideas without the ‘transhumanist’ dress.

³⁴ 2 Thessalonians 3:10 (KJV)

³⁵ *The Revolution Betrayed*, trans. Max Eastman, 1936.

Conclusion

“[A]re the developed countries trying to ‘kick away the ladder’ by which they have climbed up to the top, by preventing developing countries from adopting policies and institutions that they themselves used³⁶?”

Ha-Joon Chang

“We need a re-think of market economies³⁷.”

Deirdre McCloskey

This paper closes with a focus on proportionality in the spirit of post-neoclassical³⁸ economic theory. While neoclassical economics is still considered the mainstream (that is, by the vast majority of ‘western’ winners of the Bank of Sweden prize for ‘economic sciences’ in the name of Alfred Nobel), new ‘heterodox’ approaches in economics and social theory are more and more commonly making their mark on the public³⁹. Both Fuller’s proactionary/precautionary divide and Kirdina’s IMT are examples of efforts in economic sociology to distinguish the structures from the agencies and the institutions from the individuals and to find better proportion among tensely competing and cooperative interests. Though no shared title for such neo-proportionalist approach yet exists, this paper has taken a step towards finding common ground where more such voices can be expressed. Indeed, finding the right language for the title and its code will constitute ‘re-thinking market economies’ by itself.

Kirdina doesn’t use the terms ‘capitalism’ and ‘socialism,’ which may aid her project of building more harmonious understandings and relationships between peoples from vastly different socio-cultural systems. Her work in terms of proportionality relies more on sharing the ladder between nations who internally know and can decide their domestic balancing needs. Her realisation, which we all face as global citizens especially when we travel, is how difficult it is to change dominant and complementary institutions in a given national matrix. If her IMT can offer prescriptions for the dynamic development of institutions according to nationally-guided standards of proportionality of X- & Y-matrices, this could make a significant contribution to cross-cultural economic, political and ideological understanding.

³⁶ *Kicking Away the Ladder: Development Strategy in Historical Perspective*, Anthem, 2002: 10.

³⁷ BBC’s Hard Talk, June 24, 2014, https://www.youtube.com/watch?v=YrTnbED4u_4

³⁸ G. Sandstrom: Evolutionary and Institutional Economics: A View from the Post-Neo-Classical Perspective // *Theory and Practice of Institutional Reforms in Russia* / Collection of scientific works, ed. B.H. Yerznkyan, Issue 21, Moscow, CEMI Russian Academy of Sciences, 2011: 90-113.

³⁹ With sometimes cringe-worthy names like ‘freakonomics’ or ‘evonomics’ as recent examples.

Fuller's trailblazing in its own right takes us into precarious territory in suggesting that the 'extensions' of humankind as a 'project' mean we are currently in the process of overcoming *homo sapiens* with acts of 'self-transcendence.' Fuller would take us down the path to a socio-economics of risk and human 'uplift,' a road which appears to turn more into an actuarial social science than an anthropologically humanistic one. For Fuller, the potential social value of risk-taking in the coming era outweighs the dangers and since much of Fuller's transhumanist agenda is written in a futurist style, we shall simply have to wait and see if he is 'visioneering' correctly. Will the 'west' kick away the ladder; will it rig the world civilisation game against the 'rest' again? This is more Kirdina's macro-sociological topic to face with her nation-state oriented work on dynamically changing institutions that continually take aims at reaching non-equilibrium levels of social proportionality. Kirdina's X- & Y- model enables the discussion of proportionality to take place, just as does Fullers spectrum between precautionary and proactionary.

We are thus challenged to re-think the Left-wing and Right-wing, neoliberal and neoconservative notions of 'free market'⁴⁰ economics. If marketism cannot solve many of the grave social and inter-cultural challenges today, especially in a world where climate change and environmental degradation due to exploitation of natural resources are pressing issues, then non-marketised language would seem necessary as an alternative. If systemic institutional disproportionality is an actual problem in contemporary societies, then the (re)distribution logic of proportionality politics, economics and ideology would appear to have lost none of its communicative appeal on the global scale. What we are searching for is nothing more or less than a new gold standard for human participation in 21st c. global village.

While the ethical discussion of proportionalism often uses examples such as abortion, contraception or 'just war,' a socio-economic conversation about proportionality in light of the seemingly growing global wealth inequalities may serve to illustrate the dilemmas of (re-)distribution and the efficacy of markets. We are now encountering the rise of dehumanisation globally, where a Ukrainian peasant is valued differently than a New York stock broker, London investor or Beijing trader. What would happen if the proportional values of humankind were not weighed only or even primarily on the scales of markets? Would such thinking lead us back into the caves or forward to a more harmonious world system wherein proactive justice dwells?

⁴⁰ E.g. H.-J. Chang: *There is No Such Thing as a Free Market* // H.-J. Chang: *23 Things That They Don't Tell You about Capitalism*. London: Penguin, 2010.