

## PARTICIPATORY PLANNING

by Michael Albert and Robin Hahnel

### INTRODUCTION

For many people socialism is an economic concept synonymous with public ownership of the means of production and centralized planning of economic activity. But admittedly this working definition implies different things for different people. For *anti*-socialists public ownership and central planning eliminate the critical safe-guards of individual liberty—private property and freedom of contract. Therefore, for them “socialism” is totalitarianism. For most *pro*-socialists public ownership and central planning eliminate economic exploitation, class divisions, and economic decision-making according to the profit principle. Moreover, for these socialists, since the economic “base” is presumed dominant in the long run, “socialism” also implies eventual economic and political democracy and an end to alienation. But the total failure of public ownership and centralized planning in the Soviet Union—there is neither economic self-management, political democracy, cultural diversity, or social solidarity—has led a growing minority of socialists to reject economistic definitions of socialism. Many are critically examining the institutional implications of public ownership and central planning, and searching for alternative economic forms more consistent with a broader socialist vision.

As members of this growing minority we refuse to minimize the failures of “*existing* socialism.” Considering the alienation and powerlessness of Soviet workers, the ignominious history of the Soviet Gulag, the complete secrecy shrouding Chinese Communist decision-making, the material privileges of the economic and political elite in Eastern Europe, the failure to overcome patriarchal injustice throughout the “socialist” bloc, and the innumerable instances of national chauvinism being accorded priority over international solidarity in the foreign policies of all “existing socialist” states: it is painfully obvious to us that a socialism characterized by self-management, solidarity, and diversity has yet to materialize. Nevertheless, we do *not* count ourselves among those in this minority, such as the dominant tendency in international social democracy, who are so bedazzled by the failing of “existing socialism” that they become re-blinded to the horrors of capitalism to the point of settling for private ownership “moderated” by a Swedish-style “safety-net” of welfare programs. Nor do we count ourselves among those like the Yugoslavs who reject planning and embrace free markets as the only mechanism capable of breathing self-management into a publicly owned economy. *Instead* we count ourselves among those committed to a broad vision of socialism including not only an economic transformation but also a transformation of political, kinship, and cultural/community relations.<sup>1</sup> And regarding the economy, the primary subject of this essay, we consider ourselves among those in the tradition of the council communists, syndicalists, and guild socialists, convinced that *both* public ownership *and* planning are necessary though not alone sufficient ingredients for a socialist economy.

In other words, while “existing socialism” is certainly not “socialist,” its problems are *not* due to public ownership or planning per se. Nor is a solution to be found in

tolerating private ownership or free markets. The problem is with hierarchical central planning accompanied by political authoritarianism, ongoing patriarchy, and “cultural homogenization.” For in combination these yield new forms of class division and new ruling elites. The solution *for the economic sphere* is to be found in a different kind of democratic planning, capable of expressing collective economic self—management, and therefore compatible with the development of participator’ and democratic political, cultural, and kinship relations.

## **CAPITALIST ECONOMIC RELATIONS**

In all economies there is production, consumption, and some means for getting what is produced by some people into the hands of others who use it. In capitalism production occurs primarily in privately owned corporations, consumption occurs primarily in house-holds, and allocation between different corporations and households occurs via more or less competitive markets. As a result, under capitalism the distribution of wealth and income is highly unequal and cycles of unemployment and inflation cause great dislocation and hardship. But, in addition, below these readily apparent problems there lie other layers of failure knitted into the very fabric of capitalism.

In capitalism people do not conceive, manage, and coordinate their own economic efforts. Instead the great majority sell their ability to work to others who must constantly strive to squeeze as much work as possible out of people who have little or no say over what they will produce or how they will produce it, and who do not directly benefit from whatever success their *efforts* might yield. This hardly reads like a formula for *either* high economic productivity *or* meaningful economic activity (for workers endowed with the capacity to conceptualize, analyze, and evaluate the effects of their own actions) but for an economic system full of contradictions and alienated workers. This is a system in which the interests of workers and capitalists are fundamentally opposed both regarding the selling price of the commodity they exchange—the worker’s labor power—and regarding the use that will be made of this commodity once it is sold. It is in the capitalist’s interest not only to negotiate the lowest possible real wage today, but to organize the work process so as to minimize the workers’ bargaining strength in the future. It is in the capitalist’s interest to maximize the quantity of work, effort extracted from his employees’ laboring capacities irrespective of how debilitating the effects might be on the worker him/her self, And it is in the capitalist’s interest to organize work today so as to preserve his ability to direct it and benefit from it in the future, On the other hand, it is in the worker’s interest not only to negotiate the highest possible real wage for selling his/her labor power today, but to have this power used in ways that minimize drudgery and maximize personal satisfaction, and that enhance her/his bargaining strength over wages and work conditions in the future. Besides their ownership of the means of production and ideological propaganda, the principal weapons capitalists use to keep wages down, extract as much work as possible out of “their” commodity, labor power, and preserve and expand their power to do both, are their ability to control the choice of technology and the internal system of supervision and reward. It is only logical that capitalists would utilize these prerogatives to deskill workers, make them more

docile, limit communication among them, and pit them against one another. And of course, any divisions among workers that *originate outside* the workplace will necessarily be exploited within it.

Women will be paid less than men and used for “women’s work,” which will be less rewarding and less empowering. Black, Chicano, and other third world workers will be paid less than whites and saddled with the most dangerous, demeaning, and debilitating jobs. In a society in which kinship and community relations are oppressive, expectations and attitudes on the shop floor will embody both racist and sexist stereotypes.

The general point is that economic are not neutral devices with no effects of their own. Rather they structure the *kinds* of outcomes we can generate through our economic efforts. Private ownership of the means of production inevitably implies not only material inequality and production for profit instead of human need, but also the progressive dehumanization of work. But markets, the other hallmark of capitalism, also impose restrictive role requirements. The market forces each of us to consider only our own personal well-being, and not that of people who produce what we consume or consume what we produce. Knowing only prices and nothing about the situations of others, each individual has *choice* but to make decisions that are completely self-centered. Not only will we suffer if we fail to act competitively, but we do not even have the information necessary to act differently. For the market gives us no information concerning the situation of others. When we eat a salad the market systematically deletes information about the migrant workers who picked it. We thus come to see “things” as but means to self-centered material ends. We go all out for “number one” in work and consumption because *within the system* this is the sensible thing to do, however anti-social and ultimately destructive the collective results may be—Adam Smith notwithstanding.

So like private ownership of the means of productions the market too is not a neutral institution. It affects our very personalities and desires. Markets provide few social goods such as parks, public transportation, clean air, and public health care, relative to private goods such as lawn fertilizer, automobiles, and “beauty” aides. Each individual must accommodate to this situation. To some extent the system does deliver what we ask for. But it is also true that we largely confine our requests to things which we have good reason to believe will be available. When living in a market society it makes sense to develop market-oriented tastes. Trying to buy dignity or a sense of collective solidarity at the new shopping mall is futile, so it is advisable to let these desires weaken and go unexpressed. Over the counter it is much easier to get a new lawn trimmer or a bottle of beer. Better to cultivate and express these tastes which can be met.

Love Canal is a poisonous sewage pit; we have spent one and a half trillion dollars to create a military capable of killing everyone on the planet twelve times over; there were 20,000 murders in 1978, 2,000 committed by people under the age of 18; 30% of the elderly poor have no indoor flush toilets; auto styling changes from 1956 to 1960 cost \$24 billion; and approximately 250,000 households buy pet food for people not pets. This is testimony to the crimes built into the fabric of capitalist economic relations. And, at the

extreme, far from being a deplorable error, the bombed out defoliated moonscape that covers substantial portions of Southeast Asia is a natural “product” of capitalism, a system which is equally capable of leaving to ruin its own cities and citizens when profit SO dictates. That something must be done is becoming ever more widely recognized, yet for a variety of reasons socialists are in disarray. Not the least of our problems is that whatever their accomplishments, and these are many, the countries that call themselves “socialist” do not exert a great attraction for our fellow citizens. Is this due to our neighbors’ ignorance or their perspicacity?

### “EXISTING SOCIALIST ECONOMICS”

One alternative to capitalist economic relations is to nationalize ownership of society’s means of production and establish central planning according to socially agreed criteria. Some of the benefits of this are evident. Unemployment, business cycles, and inflation virtually disappear. With the major cause of unequal wealth socialized, material inequality should be considerably diminished. Production need no longer be for profit but could serve social goals.

It’s no wonder that this model has exerted considerable *intellectual* attraction as an alternative to capitalism. At the same time, at least in the U.S., it has exerted little *popular* appeal. Despite the theoretical advantages of socialized ownership and central planning, the Soviet Union and other “existing socialist” countries are anathema to most in the United States. Is this entirely due to anti-communist propaganda?

What is the situation of a Soviet worker? Income is steady, but worklife is remarkably like that in the U.S. As here, there is a dictatorship in the workplace—a manager exercises unchallenged authority. Soviet workers no more determine the organization of the workplace, the pace of work, or how funds will be invested than do U.S. workers. And like U.S. workers, for the most part their motivation to work is individual material gain with very little concern for the effects of their economic activities on others. As here, the situation of Soviet workers leaves them no other options. And even if Soviet political life were to become democratic—which would be an immense advance—Soviet economic relations would still be dehumanizing, and the limitations on worker power and personal development severe.

In the Soviet Union, planners decide on economic projects according to two major criteria: the perceived well-being of various sectors of the population, and the furtherance of the planners’ own interest including maintenance of their monopoly of economic decision-making power. Planners, managers, and intellectuals enjoy many advantages compared with manual workers. And the economic programs they choose enhance these advantages by expanding the bureaucracy and increasing its monopoly of knowledge relative to everyone else’s. For the planners, huge military expenditures or nuclear power development, both of which require elite management, are more desirable than such things as locally manageable solar energy programs.

The possibility of democracy in the Soviet workplace is precluded by the existence of command relations between local economic units and the planning center. The planners make all the most important decisions; the units must carry them out. The units may often negotiate with the planners, in particular providing information (and disinformation) about what they can and cannot do. But the units do not exert national decision-making power, and are even denied information needed for making local decisions socially in light of the needs of others. Clearly, it would be disadvantageous to the central planners for workers to meet in democratic councils to make local economic decisions. From the planners' point of view, it is necessary to have an agent of the planning board—a manager—within the factory to tell the workers what they *have to do* and to insure that they carry out their appointed tasks effectively. This manager can be held accountable by the central planners, whereas a democratic council would be a permanent threat. No wonder the Soviet workplace looks so much like its U.S. counterpart. In both there is institutional pressure to keep power from the work-force. In the U.S. it is private ownership and the market that accomplish this; in the Soviet Union it is the central planning procedure and “one man management.”

Does the Soviet Union also have a class structure? By a class we mean a group of people that has an economic position that gives it shared interests, consciousness, and even personality types different from and opposed to those of people occupying other economic positions. By a ruling class we mean a class that attains dominance over the determination of economic outcomes in a society, and that uses its dominance to accrue social, psychological, political, and material advantages.

Under capitalism the capitalists are the ruling class which has power over the working class. There is, however, another class of considerable importance in advanced capitalism which is frequently unnoticed. Managers, engineers, technicians, highly placed academics, bureaucrats, doctors, and lawyers occupy economic positions that are different from those occupied by workers *or* capitalists. These people have considerable power over their own work life and often over the work life of many clients or subordinates as well. They do conceptual labor, defining the Set of policy options available to tackle problems. They often define or administer the economic activity of others. They don't generally own significant capital, and, like workers, are frequently employed by capitalists. But their income vastly exceeds that of other workers, and they have not been de-skilled but are the recipients of those skills previously residing in the population at large. These conceptual workers with high incomes and security, relative autonomy in decision- making, and a near monopoly on advanced education constitute what we call the “coordinator class.” Against capital they seek higher wages and greater autonomy, up to and including control over economic planning. Against the working class they struggle to maintain their relative monopoly of administrative skills and scientific knowledge. Moreover, under capitalism, in between this intellectual elite and the workers themselves there is a large “middle element” which is more or less caught on the fence. Teachers, social workers, nurses, and technicians: these people share much in common with both coordinators and workers.<sup>2</sup>

So in the U.S. we have three classes—the capitalists, the workers, and the

coordinators—and also a rather large group situated between the latter two. But when speaking of modern economic systems only two kinds are mentioned: capitalism and socialism. The first is obviously the system in which the capitalists are the ruling class. The second is the system in which the workers rule. But what of “existing socialist” economics? Who rules them? And since it isn’t the workers, why call these systems socialist?

We have already described how planners determine economic goals in the Soviet economy and how managers within each factory oversee the implementation of these goals. There is a division between the conceptual work performed by planners and managers (and other intellectuals such as scientists, engineers, ideologues, etc.) and the executionary work of the working class itself which carries out the plans and orders of others. The Soviet economy does not put the workers in control, but rather the coordinators. Thus it is not a socialist but a coordinator economy. The central plan has replaced the market as the chief allocative mechanism. But one thing clearly has not happened: all have not become workers and workers do not manage the economy in their own material and spiritual interest. The division of labor between conception and execution has replaced private ownership as the key to class struggle.

In the early years after an anti-capitalist revolution, revolutionary élan will be relatively successful in eliciting workers’ cooperation. But if workers do not control their economy, and if instead the coordinator class consolidates its power and expands its privileges, after a time élan fades and a different motivation for work must be found. If the coordinator class has consolidated power, socialist solidarity will not be the motivating force because this would require eliminating the workplace hierarchy, thereby undermining the “reason for being” of the coordinators. If the coordinators permitted the social relations of factory life to alter enough to generate socialist motivations, work activity would create people no longer willing to accept the centralization, elitism, and authoritarianism intrinsic to the system of coordinator dominance. Self-destruction has never been and likely never will be a ruling class program.

As under capitalism, there is an intimate interaction between factory structure and allocation relations in coordinator economies such that each limits the possible forms of the other. With the possibility of a cooperative self-motivated worklife ruled out, the coordinators must turn to material rewards to get the working class to carry out their allotted tasks. But for personal income to be valuable enough to motivate hard work, two conditions must be met. First, the society must produce an ample supply of consumer goods for purchase by *individuals*. And, second, there must be no readily available *social* means for attaining comparable or more fulfilling lives than private consumption allows. The trend should be clear: in addition to authoritarianism, extreme individualism and consumerism also appear in this “planned” economy, though in a new non-capitalist guise, serving the interests of a new, non-capitalist ruling class.

So, as Marxists should anticipate, the U.S. working class’s hostility to what goes under the name “socialism” proves to be more than a mindless response to propaganda. The system workers dislike is not “their system.” U.S. workers’ distaste for the Soviet

economy' parallels the hostility' they rightfully feel toward the coordinators within capitalism itself.<sup>3</sup> If socialism is to appeal to workers, it will have to be something other than an extension of domination by' a coordinator elite.

Nor will it suffice to simply do away with the central planners by substituting a market in their place while keeping property socialized—as in Yugoslavia. As we have argued above markets are not neutral. They have negative implications built into their very role requirements. Those who wish socialism with markets preserved want, as Marx put it, “competition without the pernicious effects of competition.” They “want the impossible, namely the conditions of bourgeois existence without the necessary consequences of these conditions.”

With central planning the individual is subordinated to the whole; with markets the individual is isolated from the whole, in neither case do individual wills come into contact with one another to alter in the light of new insights and to then resolve themselves in the development of a “collective will” that is the sum of many reformulated contributions. To replace planning with markets merely replaces the central coordinators with local managerial coordinators and does little to allow workers to socially define their own economic existence. They still take orders from superiors and suffer economic consequences beyond their reach.

## **LESSONS FOR SOCIALISM**

A socialist economy one that manifests the power of workers and consumers over all economic outcomes—cannot allow the maintenance *of* capitalist private ownership. But neither can it allow the knowledge advantage of coordinators to replace the property advantage of capitalists as the new locus of economic power. There must be a way to ensure that knowledge and the capacity to plan and conceive social options are also “socialized”—that is, made accessible to all and not the “property” of a privileged few. Furthermore, replacing the market with a central planning bureau, while allowing for a more conscious approach to economic decision-making, does not permit different groups of producers and consumers to initiate and coordinate their own economic activities in a social way. The market assumes that many pairs of parties, through exchanges, will reach an optimal outcome, but it ignores the impact the exchanges might have on people other than the two parties involved. It treats all economic decisions as if only two parties were affected by the outcome. (For example, the market does not take account of the social costs of an agreement in which a firm sells a polluting car to a customer.) The best central planning can do is sum up people's individual preferences for final goods and calculate the optimal work plan to achieve those goals. This does not permit workers in a machine shop in Massachusetts any more say over their own work than they have over what and how things will be done in an assembly plant in California. Nor does it allow a social dialogue between economic actors so that their respective desires may take account of one another's needs and potentials. In effect, even a genuinely' democratic central plan treats all economic decisions as if everyone were equally affected by the outcome of each decision, and as if desires were most representative of deepest personal needs and

capabilities when expressed in ignorance of their impact on other people. But since most economic decisions affect more than two parties, but not all parties equally, neither markets nor central planning can provide each party with decision—making input in proportion to the degree to which it is affected. And since ideally desires should be informed so that they can reflect social interrelationships as well as private dispositions, again neither allocation mechanism is optimal.<sup>1</sup>

Consider the following simple example. Three people wish to go to the movies together. Which movie should they go to? Under a market mechanism, the one with the money decides. Under central planning, if the planner determines that two out of three prefer *Modern Times*, then that is the one they go to. But if instead the three people spoke to one another—as friends would do they might find that two have only a slight preference for *Modern Times*, while the third saw this very movie just the night before, or they might find that as a result of their dialogue their desires change, partially in mutual compromise and solidarity, partially owing to new information. Only with this knowledge of the social dimension can decisions be reached that are truly optimal.

Therefore, for us, a socialist economy requires: (1) the abolition of private ownership of the means of production; (2) the elimination of a fixed division of labor between conception and execution; and (3) an allocation mechanism that promotes decision-making that is both participatory *and* collective. Where central planning makes workers passive and markets make them individualistic; and where an economy dominated by *either* central planners *or* local managers will eventually resort to material incentives—socialist allocation must promote worker initiative, consumer sociality, and increasingly rely on solidarity and self-management as the dominant incentives to work. We think the system we shall now describe meets these three requirements. We present in turn how production, consumption, and allocation might function in a socialist economy.

The most general decision—making criterion of a socialist work—force should be to maximize the fulfillment and development of every worker consistent with equal consideration for all. Each workplace would seek to increase fulfilling work activities, minimize drudgery, and distribute the differential human effects of work equitably. Assuming there are no constraints imposed by the allocative mechanism (to be discussed below), how would we structure a factory, office, or service center to promote fulfilling work?

First consider the problem of democratic decision-making. We can group decisions into two general types. Some affect the whole workforce more or less equally: for example, decisions concerning the length of the work day, the introduction of a comprehensive new technology, or the timing of breaks. Others might affect primarily only a small group, for example, the division of tasks within a subdivision of a workplace, or a change in machinery in a single operation in a plant. To have participatory democracy within a workplace means that the whole workforce together makes decisions. For the first type of decision we require one person one vote. But for the second type the most directly affected groups must be allowed greater influence.



In a capitalist firm with accounting, finance, production, research, and personnel departments, decisions might be made by a board composed of department heads. Each officer would have relative autonomy in his/her division, bringing decisions that were already tentatively made to the board for ratification. Of course the board might decide that a departmental decision impinging on the whole operation had to be reversed, but presumably this would not happen often. With regard to general policy, the department heads would deliberate and finally vote—perhaps following the lead of a dictatorial chairman, but perhaps not. From a socialist perspective, the problems with this approach are its aims and its exclusion of the workforce. However, this is a function of ownership, class relations, and market pressures; the concepts of voting, departments, relative autonomy, and “oversight” are adaptable to a socialist economic system.

For example, in a socialist workplace there could be a general workers’ council composed of all workers, division councils, and work groups composed only of those people who were immediately involved with one another during the work day (though, of course, the definition and purpose of divisions would be different than in capitalism). Each unit would make decisions relevant to its own operations within the context of decisions made at more inclusive levels. There could be committees to prepare written comparisons of proposals that were too complex for simple treatment. There might be a whole division for addressing technological innovation, job redefinition, etc. But the principal point is that all decisions would be made democratically with all concerned parties free to express their opinions and vote, roughly in proportion to the extent to which they will be affected by the outcome.

But what if only a few individuals dominate at each level? What if initiatives come from only a few individuals, who dominate discussions, and votes follow their lead almost automatically? When meeting attendance inevitably dwindles, won’t we have returned to a situation reminiscent of capitalism but without owners

This potential “internal evolution” of the most democratic workplace structure leads many people to conclude that all efforts to create non-hierarchical, participatory institutions are doomed. But what would cause such a degeneration of participation into an unequal division of power? Why would such a class division-between coordinators and workers evolve?

The simplistic answer is that some people are inherently more intelligent, aggressive, and capable than others, so sooner or later they would inevitably come to dominate. But this view is ignorant. First, the right to make decisions about one’s own circumstances does not rest upon being the smartest or most knowledgeable on every question. Second, it is *never* the case, unless institutional relations make it so, that *the same* individuals will be best informed and most knowledgeable about *all* aspects of the workplace. Third, it can *never* be the case that a small set of individuals knows the feelings, desires, and capabilities of everyone else, better than people know these things themselves, yet it is just this information that is most critical to decision-making of the sort we are discussing. And fourth, and for our purposes most important, to the extent that differences between people—in their capacities to make decisions, plan, and

conceptualize—are so great as to promote patterns of dominance and submissiveness, they are socially produced, *not* genetic.

There are at least three social factors accounting for these differences. One is obviously an unequal distribution of income which allows differential access to intellectual and cultural involvement and time for reflection. But under socialism this would disappear for reasons that will become clear when we discuss allocation. The second factor is schooling. To prevent the development of a division of labor between conceptual and executionary work it would be essential that *all* students in a socialist society became well-educated in general studies and well-versed in critical thinking. “Liberal arts” under socialism would be precisely that knowledge and experience that was a prerequisite for participation in democratic decision-making at all levels of society.<sup>4</sup> The third factor that promotes unequal development of decision-making capacities is the structure of the workplace itself. For example, if workers in a production department do only rote manual work, while a few others are responsible for redesign and coordination, then obviously the second group would continually enhance its conceptual skills and the first would just get more and more bored.

At this point the cynic might say, “Even if you are right, what would you have us do? I suppose you’d like to see everyone do all jobs on a rotating basis every day. What naïveté!” But even though there is a very significant place for job rotation in socialism, this is too extreme a proposal and an obvious “straw man.” Jobs that are boring, debilitating, dangerous, or otherwise undesirable, as well as jobs which are unusually gratifying, skill inducing, or empowering, must be shared equitably among the whole workforce. These would be rotated, *within the constraints of the difficulty of learning them and the human and material costs incurred by discontinuity*. But there would be other reasons for job rotation on an optional basis. First, individuals would benefit from learning a variety of kinds of work over their lifetimes. Second, plant operation as a whole would benefit as each individual became personally familiar with more of its diverse aspects and their interrelations. And finally, democratic decision-making would be enhanced as people became accustomed to different aspects of the work process and could therefore better understand and empathize with the situation of others.

So for both “defensive” and “positive” reasons technology would be designed and job allocation determined to meet three goals: (1) Every individual would be regularly involved in *both* conception and execution. (2) No individual would long occupy positions that presented unusual opportunities to monopolize influence or knowledge. (Indeed, jobs which permitted such monopolization would themselves be progressively eliminated by the restructuring of technologies, work roles, and workplace social relations.) (3) And there would be an equitable distribution of the human benefits and costs of work. The point here is straightforward: To avoid class division, and eventually a new form of class rule, it is necessary to avoid institutional relations that bestow differential conceptual capabilities and managerial powers in a regular pattern. Just as private ownership of the means by which we must all produce and survive cannot be allowed if there is to be material equity, so fixed hierarchies of social planning and decision-making power cannot be permitted if there is to be real economic democracy.

But what are the implications of what we have said for issues of racial, sexual, and political hierarchy? Each of these hierarchies contains dynamics that are oppressive in different, but no less important, ways from class hierarchies. Their *roots* lie predominantly outside the economic sphere, but, nonetheless, when these kinds of oppressive hierarchies exist within a society, they inevitably appear and are reinforced within the economy as well. In capitalism, for example, patriarchy has its roots in kinship relations, but is exacerbated by the sexual division of labor in the workplace, unequal incomes for men and women, and other economic factors. In societies with coordinator economic relations, the authoritarianism of the political sphere is aggravated by the command character of economic relations, and sexism and racism are reinforced by an unequal division of work burdens and rewards along sexual and racial lines. To eliminate sexual, racial, and political hierarchies two things must be done. The principal task is for socialists to directly transform the social relations that produce these oppressive dynamics in their individual spheres of origin. That is, kinship, political, and community relations must be changed to no longer generate hierarchical divisions. But the economic system must be transformed as well so as not to continue promoting racism, sexism, and authoritarianism.

We believe this second task can be carried out by the kind of economy we are describing. In a society in which socialist values come to prevail in the kinship, political, and community spheres, features of our economic system—material equality (still to be discussed), elimination of fixed divisions of labor, and self-management—would all enhance the anti-racist, anti-sexist, and anti-authoritarian character of social life. But initially special safeguards would have to prevent sexist and racist outcomes. Briefly, minorities and women would constitute social groups with special interests with respect to which their influence would be accentuated, even within the operation of participatory democracy. In this essay, however, we are focusing on the operation of a well-established socialist society and its economy.

## **SOCIALIST CONSUMPTION**

How should consumption be organized under socialism? In general we seek a context in which consumers can maximize their fulfillment and development with equal consideration for all. To accomplish this we suggest formation of consumers' councils at the level of the neighborhood, ward, region, and so on. To promote participatory decision-making that is socially responsible we want outcomes to be decided by people at the level most affected, but subject to review by councils at more inclusive levels.

What kinds of consumption decisions would arise? Individuals would have to choose between different kinds of relatively private goods and services. Neighborhoods would ask for things like parks, clinics, or new centers for study or play. And regions might request new transportation vehicles, major housing renovations, etc. With decisions at the higher, more inclusive levels made first, the structure of layered councils allows all concerned at each level to participate equally in the debates and voting on

options.

Consumption is inherently a social process. The consumption of one item instead of another affects which irreplaceable resources will be used, what workers must do, and the human characteristics of the consumers themselves, and thereby the social relations they will be able to form with others. Some consumption induces social interaction and solidarity, while some is highly private. Compare communal music or sports facilities with the sight of a jogger running along with headphones.

The ideal situation would be for individuals and all larger units to assess their desires in light of the implications for others. Likewise, we would wish a household to question an individual's preferences, a neighborhood to question a household, and so on, whenever socialist norms seemed threatened. But we would propose that the larger units only be permitted to overrule the consumption requests of the smaller units when the request impinged unduly upon the rights of others. In other words, whenever someone felt that a consumption request was not in the best interests of the group making the request, in terms of socialist values, there would be room for the kind of discussion that takes place among friends today. But only when a proposal was judged unmindful of the right of others to have their needs addressed on an equal basis would social pressure be brought to play.

In any case, the freedom to consume what one desires, within the constraint of its being producible at a reasonable social cost, and the right to influence the consumption choices of larger groups of which one is a member would go far beyond what the average consumer enjoys under either capitalist or coordinator economics. This follows from the most striking and unusual feature of the consumption model we are presenting: one's consumption does not depend upon what work one does. Rather, to consume the means of life and development is treated as a human right, to be exercised in the context of everyone else's equal right, and not to be abrogated or threatened because of anything that happens in some other area of daily life. But to see how this could work, we need to describe our model of socialist allocation.

## **SOCIALIST ALLOCATION**

Let us first simply the problem by considering a world of a hundred people. Let us assume they value egalitarianism, democracy, and variety, and have designed political, cultural, and kinship institutions embodying these values. How might they organize their economy?

They could have a contest, a lottery, or perhaps a brawl to determine who would own all the resources. The 'losers' would then hire themselves out for a wage to the "winners." But such a system would obviously guarantee inequality, hostility, competition, and the degradation of work. In short, it would be capitalism.

Or they could make the best educated or most ruthless responsible for planning the

entire economy for the rest of them. These planners would carefully determine (mostly by asking everyone a lot of questions) what work people could do, what people liked and disliked, and what the stock of resources was. Then the planners would calculate a plan that everyone would follow. But if the planners, and a few others they might appoint to relay their instructions, monopolized leadership positions surely they would begin to see themselves as more knowledgeable than those who merely carried out decisions and surely they would come to substitute their own desires for those of the populace. Gradually differences in skill and knowledge would become enlarged to the advantage of the few and the detriment of everyone else, and the planners and their aides would ask fewer questions of the citizenry and give them more and more orders to obey. In other words we would have a coordinator economy with an elite class of planners wielding disproportionate power over all economic decisions.

In any case, neither the contest nor elite planning approach could possibly help everyone discover how their work and consumption fit together with the work and consumption of others. Nor would either of these approaches build empathy and solidarity. Even if we could prevent the development of antagonisms between people who won the contest and those who lost, or between people who plan and those who must carry out their plans, neither arrangement could meet the positive requirements of a socialist economy.

The solution, we believe, has the virtue of simplicity. Instead of providing the central planners with the information they need to calculate a plan, people could talk *to each other*. Different people could do different things after talking to each other about what each needs from the others in order to carry out his or her work and the human costs and benefits of all the different possible activities. If everyone contributed to their capacity, all would have an equal claim on the product in order to meet their different needs.

Each group of workers (those doing farming, making clothing, or housings etc.) would inquire about the needs and desires of all the others. Consumers' projected benefits would be taken into account by each work group alongside their own benefits and debits from doing the work. Moreover, considerations such as environmental impact and the effects on social values and relationships would be given their fair weight too because, as we shall see, there is no incentive *not* to consider these things in the system we are proposing. For example, a debate over alternative energy options would not only address the relative efficiency of the different options in providing electricity or other forms of energy, but also their effects on ecological relations, health and safety, and even problems of culture and political relations. By means of this dialogue, everyone would learn the social consequences of their activity and make proposals for what they would prefer to produce and consume.

Obviously the "initial" proposals of all the work and consumption groups would not "mesh" and form a "feasible plan." Instead some things would be in over-supply, but most things would be in excess demand. But based on reports about what everyone thought about the initial proposals, and based on calculations of what the average

consumption request and average work commitment were, people would make new proposals. The key incentive in this process of proposal revision and resubmission is that ultimately each group's proposal must be accepted by all the other groups. If a consumption request unjustifiably places a significantly greater burden on society's productive abilities than the average request, there is no reason to believe that it would be accepted by the other consumption groups. Similarly, if a work commitment falls below the average effort others have agreed to, it would be rejected unless accompanied by a reasonable explanation. In other words, it is in the interest of every group to convince all the other groups that its proposal does not imply a higher regard for the well-being of its members than for the rest of the participants in the economy. Yet the "social iterative" procedure we have outlined for "converging" to an economic plan preserves the right of initiative for the individual groups who will be carrying out the activities agreed to.

A repeated sequence of iterations —proposals are made, assessed, altered in light of the assessments and new information, assessed again, etc. for a few rounds—would ultimately "converge" to a feasible plan, not by magic, but because the iterations would progressively whittle away excess demands by reducing unjustifiable consumption requests, increasing unfair work commitments, and shifting resources and labor from low priority tasks to higher ones. But the process would also involve all people in deciding on the plan, increase everyone's knowledge about the situation of others, sensitize everybody to each others' needs, and prevent emergence of an elite group of planners or managers.

But is such a system adaptable to a large, modern, complex economy? Or does its feasibility rest on the small scale we chose for the model—100 people—and the possibility of face-to-face negotiations? Can a society with millions of products, hundreds of millions of people, intricate technological choices, and immensely complicated interdependencies engage in an allocation procedure of this sort? Is there just too much information for each council to take into account? Does the number of people and distance between them preclude empathy and solidarity?

Clearly these are serious questions. But the solution cannot be to label the vision utopian and fall back on some variant of central planning or markets. For we have seen that these are intrinsically incompatible with socialist aims. The fact that we know how to establish these systems doesn't mean that we should rush to do so. We mustn't seek to solve the problem of overwhelming information by leaving out the most important information of all—the human consequences of economic activity—as both central planning and markets do in their different ways.

We believe that the model described here *can* provide the basis for a system of socialist allocation for large, modern economies. Of course the give and take of information exchange would have to be carefully streamlined. The process of sequentially assessing plan proposals and making new ones would have to be organized in a way suited to a relatively prompt convergence to a collectively agreed set of actions. But this is possible. Elsewhere we have discussed how, by using the information contained in the previous year's plan, the material consequences of different proposals

involving tens of thousands of different items can be compared and evaluated by workers and consumers councils themselves. We describe how adjustments can be made in the evaluation components taken from last year's plan during the planning process to hasten the shifting of labor and resources to more productive activities. And we describe how computer terminals and storage systems already well within the scope of present computer technology can readily assist the councils and federations of councils not only in calculating quantitative implications of proposals with immensely long sequences of consequences for other councils, but also in storing and accessing the more complicated but more critical information concerning the human and social consequences of different economic choices. Actually, technology far more powerful than that required to carry out the kind of planning we suggest already exists. It is now possible, for example, to create a book sized computer device with a screen into which one can insert cassettes containing pre-recorded books, musical scores or other forms of stored information, and art. Indeed, with such a device and just a few cassettes an individual would literally be able to carry the entire offerings of titles in a major library in his/her pocket, and have a retrieval capacity greater than any modern library affords. If it isn't misused such technology is grounds for optimism not only regarding the possibility of storing and accessing large quantities of information, but also for making available much more knowledge and culture than has ever been in reach of the public before. The main problem is not technically processing the quantity of information associated with making social economic decisions in even the largest, most complex economies, but summarizing it in ways that will allow each council to take it into account in decision-making. However, this too is possible, as we have elaborated in some detail elsewhere.<sup>5</sup>

In any case, every step made toward inclusion of more qualitative information is an improvement upon what is now done in modern planning and market economies. It is essential to remember this. The seeming advantage of the "quantitative approach"—the numbers are objective, verifiable, manipulable—is gained by ignoring the human aspect of economic activity. That is, by ignoring that which must be central to a socialist social order.

The socialist planning system we envision involves a social, iterative procedure. Each council uses past experience and an accumulated record of prior planning communications to estimate the kinds of efforts others would have to expend to provide a proposed list of inputs, and the uses to which others could put a proposed list of outputs, and then makes its own initial proposal. Upon seeing all other units' first proposals, the council would get new information to work with. It would immediately be told whether each good or service in the economy was in excess supply or demand. Descriptions of human inputs and outputs would provide improved information about the human effects for others of different options. Cross-council comparisons and averages would show what were typical production proposals and consumption requests, and how far each council diverged, either above or below the average. And this is precisely the kind of information that is required for the members of each council to collectively reassess their own proposals and amend them in light of concern for themselves and for other participants in the economy as well.

A person who worked in a plant producing bicycles, for example might find out that many more bicycles were desired than bicycle councils as a whole had proposed to produce. It would thus be socially desirable to increase production if it could be done without incurring great difficulties in the workplace. But should one's particular plant increase output? You would want to check your proposed output and inputs against that of other bicycle plants to see how you compared to the average in the industry, for output could be increased either through greater effort by those already working there or by an increase in the amount of resources and labor used. You would also want to check the degree of excess demand for bicycles compared to other items to see if a transfer of resources to the bicycle industry was warranted or if the excess demand for bicycles was simply the result of aggregate excess demand to be expected in early iterations. On the other hand if you were in a neighborhood council requesting bicycles, you would want to consider cutting back, and one of the first things you would check is whether your request was under or over the general social average. In the next round bicycle producers would either increase their proposed output or conclude that the needs of consumers did warrant either a shift of labor and resources or an increase in the intensity—and therefore danger and/or unpleasantness— of work in the bicycle industry. Consumers of bicycles would make similar assessments and either cut back or persist in their requests.

To design a system of this kind, prevent it from getting hogged down in endless haggling, and ensure that it will converge in a reasonable time to a desirable social plan is no mean task. But then no one ever claimed that socialist planning would be easy. Our own feeling is that the major amendments to the simple structure described here will involve devising mechanisms for shortcutting information processing and forming federations of councils at many levels in each industry to allow for larger scale planning and coordination between similar units. One way to see some of the possibilities is to consider how the planning system would handle three often irksome problems of economic coordination: (1) unforeseen changes in needs or production failures; (2) designing major new production techniques; and (3) making choices between major economic projects that substantially affect resource and labor allocation over long periods—for example, rebuilding cities versus retooling a major industry.

If a production council agreed to a year—long plan but unforeseen conditions led its members to feel they wanted to make revisions, they would communicate to the industry wide council their wish to cut back production, their reasons, and request that other firms in the industry take up the slack so no consumption plans would need to be altered. But if other units in the industry could not make up the shortfall, the industry federation would have to request that consumption federations cut back their use of the good in question. Similarly, if a consumer council agreed to a plan and then for some reason wanted to change its demand for food, for instance, its new request and the reasons for it would be communicated to the appropriate agricultural councils. Perhaps they would agree to meet the new request, or perhaps they would be unimpressed. In any case, the basic give-and-take procedure would be similar to the initial planning process itself. By building some slack into production quotas, and recognizing that often changes would largely counter-balance one another, we can see that the economy could be organized to handle this sort of uncertainty fairly smoothly. In any case, this is a



practical problem which plagues the operation of any economic system, but can be handled at least as efficiently in material terms, and more efficiently in social terms, by participatory planning than by other models.

The problem of designing and implementing new technologies is more complex. Many times workers in plants would come up with new ideas themselves. Yet the fullest elaboration of such ideas, the careful calculation of all their implications, and the conceptualization of certain new innovations will require investigation using expert skills of particular sorts for extended periods. Workers bearing the responsibility for current production will not be in a position to perform all the tasks necessary for making rational decisions about new technological possibilities. So while it is not desirable to create a specialized economic strata of technologists who design society's future by designing its new technological infrastructure, some division of labor seems necessary. The solution to this conundrum is the creation of research and development departments in all production and consumption units and federations directly responsible to those units and staffed by people who serve on a rotating rather than permanent basis. The kind of research that would be carried out would of course vary from council to council and depend on the size of the federation the R&D department was attached to. But the principles of a rotating workforce and oversight by the council or federation would be the same in every case.

Finally, although we have not dwelt on the interface between the economic and political institutions of a socialist society, the economic system we have described would only be compatible with a political system that was truly democratic and participatory in the broadest sense. We would expect that some of these political channels would be employed along with the federations of economic councils in setting broad economic priorities. Not all desirable economic transformations can be carried out at the same time. Cities will need to be restructured. Whole industries will need to be redesigned and retooled. Broad issues of greater fulfillment now versus development for later benefit must be addressed. Although the federations of production and consumption councils and particularly their research departments will bear the major responsibility for formulating the alternatives as well as tracing their expected long run implications, the major media institutions and political bodies will play a critical role in facilitating the fullest and most informed public debate on these issues as well as ensuring that the final decision regarding an ordering of these social priorities is reached democratically. When these decisions are finally reached they will entail production commitments extending through many planning periods. These commitments would simply be incorporated into future planning efforts as decisions that had already been agreed to.

## **TRANSITION**

We have not dwelled on the kinds of problems we can expect to encounter in trying to *establish* socialist economic relationships because that was not the purpose of this essay. Yet before concluding some mention should be made of "transition problems," even if only very briefly.

The usual worry about transition is that the old capitalist class will somehow reassert its hegemony. We think this is an almost ludicrous fear, at least in the advanced industrial economics. When a truly socialist movement grows sufficiently to challenge and win power from the current rulers of Society, there will be little danger that these same rulers will later reassert themselves, on the other hand, there will be another very real danger that will pose many complex problems. That danger is that a revolution that overthrows capitalism in the name of socialism might still fail to create socialism and give rise to a coordinator society instead. The skills and knowledge largely monopolized by coordinators and middle strata are often overrated, but not so overrated that we could reasonably make a case that these individuals' services can be dispensed with in period of socialist upheaval. Rather, these individuals will be called upon to play an important role in providing expertise and training at many levels. How to welcome their involvement but prevent their dominance over social reconstruction is going to be a difficult problem.

Similarly, citizens used to economic life under capitalism are going to find many of the organizational impositions of socialism demanding and sometimes annoying. In the face of this inevitable disorientation there will be a deep tendency on the part of all sectors within the economy to gravitate toward old and familiar ways of doing things. Sometimes this will be to avoid disruption, sometimes it will stem from ingrained habits and/or fear of unfamiliar circumstances. But to create a climate suitable for the most vigorous experimentation and growth of consciousness and knowledge is going to be very difficult even though it is of the utmost importance. Opposition to the most egalitarian and democratic aspects of socialist economic relations is not going to come only from people whose mind-set is geared toward establishing a coordinator economy, but also from many of the most conscientious working people themselves. Consumerism, individualism, and self-doubts run deep in all of us, not to mention racism and sexism which will also remain significant problems for some time in the new society. And in addition to negative carry-overs from capitalism, some of our best instincts, such as the desire for efficiency, will often work against pursuit of participatory economic relations. In sum, without pretending to have addressed transition in any kind of depth, the point we wish to make is that "transition" has meaning as a concept only as a bridge, and as a bridge it must touch ground at both ends. The problems of transition are a function of this necessity—that programs respect people's immediate needs and inclinations and yet also aim without compromise for socialism and not some pitiful, oppressive, false facsimile.

Returning to socialist allocation as we propose it, the idea should now be clear. Participatory planning allows units to coordinate their activities democratically, consuming according to need and in light of the social relations of production, and producing according to capability and in light of the social worth of consumption. It is a means of social planning without centralization or competition, but with a dynamic that reinforces empathy between democratic councils. Decisions are made in light of all their human implications—both for immediate fulfillments and for the development of people's capacities and tastes over time. What to build, what technologies to create, how to structure factories, neighborhoods, and even whole cities, how to conduct day-to-day economic activities: all are determined in accordance with people's desires and skills. The economic plan is socially determined yet its various aspects are at every step

proposed and elaborated directly by people most intimately involved with carrying them out. We believe the participatory, iterative model is the only economic form that embodies *both* self-management and social solidarity as central aspects, and that can reinforce both of these attributes in democratic councils and in all people who engage in economic activity. We believe it is the only economic form which addresses the criticism of capitalism expressed by Karl Marx in the *Grundrisse*:

The social character of activity and the social form of the product, as well as the participation of the individual in production, appear here as alien material things in opposition to the individual; not in their behavior to each other, but in their subordination to relations which exist independently of them and arise out of the collisions of indifferent individuals. The universal exchange of activities and products has become a condition of life for each individual and the bond between individuals appears to them as something alien and independent, like a thing.

Though the iterative mechanisms we have described, councils will have to take account of the well-being of all in drawing up their economic plans. Each worker's activity will have to benefit society at the same time that it furthers the worker's fulfillment, and each consumer's request will have to reflect a sensitivity to workers' situations as well as to the consumer's own needs. In sum, individuals and groups will have to be motivated by very different values and understandings from those that now prevail. Is this possible?

## **HUMAN MOTIVATION UNDER SOCIALISM**

While we have not, in this essay, addressed the possibility of attaining socialism against all the forces of the capitalist state, culture, etc., it is incumbent upon us to address another question about possibility: Can people behave in a socialist manner? Is it reasonable to expect people to act as we have described, taking one another's needs and potentials seriously, being active yet non-competitive and unselfish?

We must admit that in our current experience whatever "good behavior" we might encounter, there is also a vast amount of lazy, envious, competitive, racist, and sexist behavior going on all around us all the time. Greed is one of the themes of capitalist daily life, not a fiction of novelists searching for interesting plots. At the same time, the common assumption that all this anti-social behavior and consciousness is a function of innate programming embedded in our genetic structure, is unwarranted. It is logically lust as possible, and theoretically far more compelling, that this anti-social behavior is embodied in the institutions around us and imposed upon us by the constraints of having to act within those institutions and the roles they offer us. Sociobiology notwithstanding, there is simply no scientific nor even remotely compelling argumentation to justify an assertion that personality types of any sort are wired into our genetic structure, let alone that anti-social dispositions have a priority place there. On the contrary, it can be argued quite forcefully that many of our most basic institutions have built-in tendencies impelling us toward adopting anti-social traits. Even in this short essay we have shown,

however briefly, that allocation through competitive markets or central planning inevitably leads to anti-social behavior. So it is our contention that in a socialist society, where institutions are redesigned to promote solidarity, variety, and self-management, and where survival is assured, people could be sociable and empathetic, and both human nature and social forms would make oppressive behavior as irrational as most humane behavior is in our present context.

Under socialism workers will work because they understand the importance of their tasks and the ways they interrelate with other people's efforts, because they self-manage their own labors, and because of the direct rewards of socially valuable, self-managed, collectively shared creative activity. Painful jobs will be rotated, their assignment and definition continually reevaluated. Artisan values will be prevalent and workers will be able to take pride in their efforts. The free time generated by eliminating wasteful production will go in part to increasing leisure and in part to allowing more artistry in useful work which people would rather not automate. In short, workplaces and work processes will be conceived with human need and scale in mind.

As a worker under socialism would you hold back your energies, or try to honestly commit your capabilities to meeting society's needs? Everyone has an interest, and understands their interest, in the overall well-being of the community. Consumers recognize when work is painful and try to moderate their requests accordingly while the character of worklife has changed dramatically, in these circumstances we believe workers will seek to ensure that *everyone* benefits from their efforts to the greatest possible extent. We think collective behavior will come naturally under socialism as we have envisioned it because it would be in each worker's interest to behave this way just as competition, authoritarianism, laziness, sexism, and racism are standard defensive responses of people seeking to survive and rationalize worklife under present day capitalism.

Likewise, as a consumer under socialism would you ask for all that you could dream of? Or, given your knowledge of the social relations behind the products you seek, the investment patterns society has chosen and their rationale, and the importance to the whole community of cooperative behavior, wouldn't the pressures of the council system as well as your own desires for community mitigate against excessive requests and cause you to assess possibilities in a socialist manner?

Contrary to the situation prevailing now under capitalism, in a socialist society a person's well-being would not be a function of the number of goods he or she possessed. One needn't accumulate goods as a buffer against unemployment and hardship. Nor would accumulated goods impart status or power, or be necessary as a substitute for the otherwise unavailable goals of community, sociality, or love. On the contrary, by pursuing consumption that was unnecessary but caused producers considerable difficulties, a person would be risking loss of friendship and empathy to no purpose. Under capitalism you try to squeeze as much as you can out of a system hostile to your needs; under socialism you try to further a favorable system of which you are and feel an integral part. This, we believe, explains the possibility of the economic relations we have

described.

The obvious benefits that will derive from the transition to socialist economic relations include material well-being for all, self-management, improved conditions of work, skill enhancement, sociability and solidarity, and human scales of technology. Some benefits, however, are more derivative and subtle.

For example, the relationship of work to community and kinship will alter. All economies produce not just things but also social relationships and human characteristics. In capitalist society, class dynamics both embody and enhance patriarchal and racial divisions, and are in turn embodied kind enhanced by these. For example, capitalist jobs are culturally and sexually stratified in ways that are dysfunctional for workers and adopted only to enhance capitalist stability and reproduce white and male supremacy. But under socialism there is no owner to profit (nor coordinator to manage) and so the economic bases of racism and sexism are overcome. And if community and kinship relations are also directly revolutionized—for they are not simply functions of the economy—then racism and sexism can be fully uprooted.

Furthermore, there will not only be changes in interpersonal relations of all kinds, but in the relations between people and nature as well, in capitalism nature is regarded only as an object to be used. The capitalist drive to accumulate makes ecological failures inevitable in two senses: first, we exploit nature so rapaciously that we endanger our very existence by ignoring environmental limits and dangers; and second, we break all bonds with nature, destroy ecological balance and variety, and thus diminish the *quality* of our surroundings. In a coordinator mode little of this changes. The manipulative approach to life remains, and so does a drive to accumulate and the ecological consequences have been equally disastrous. But under participatory socialism we will have an economic arrangement which neither compels growth nor propels instrumentalism. This is not to say that socialist economists will not *choose* growth that is both desirable and ecologically balanced, but only to point out that socialist economic relations will sensitize people to the processes behind consumption and production. Our pleasures will relate to the final good *and* to the chain of its development. This will enhance our empathy with other people's capacities, needs, and desires, and it will also promote consciousness of natural balance and of the merits of the evolution of our planetary ecology as against the short-term experimental guesses of "scientific experts." The resulting ecological awareness, both a sensitivity to natural limits and to a balance with nature and the earth, will support projects aimed at human scales of production and technology, and the replacement of sprawling metropolitan centers by networks of townships which physically and psychologically embody the advantages of both city and country life.

In short, the advantages from a change to a socialist mode of production and consumption seem varied and to every aspect of life. Beyond material well-being and equity—each critically important in its own right—there will also be many qualitative advances; and the need to elaborate the socialist vision so that these might become more readily apparent is a practical political priority.

We are certainly not contending that the model presented here is complete. Nor, obviously, have we even broached the difficult problems of revolution itself, or more than touched upon the complex initial stages of construction of new economic relations when old habits still prevail. But the fact that the model seems to require immense changes in our understanding of economic activity, huge advances in communication and information processing, and other similar leaps into an only loosely charted future cannot be reason *for* shunning further investigation. Moreover, even if our model does prove flawed in some essential way, a critical point of this essay will be unaffected. For an economic system to embody self-management and solidarity rather than class rule by a few, it will have to preclude all fixed divisions between conceptual and executionary labor. But this requires the abandonment of markets and central planning as methods of allocation. Likewise, the pursuit of the positive goals of self-management and solidarity exclude markets and central planning. So even should the model we have put forward prove less viable than we currently believe it to be, the implication is *not* that as socialists we should re-embrace either “old model” seeking to reform it in a “progressive” way. Neither enlightened market allocation nor enlightened central planning can provide a fertile breeding ground for socialist economics in a new society. A new model, whether ours or another, is a prerequisite to further progress.

Are we being utopian? It *is* utopian to expect more from a system than it can possibly deliver. To expect equality and justice—or even rationality—from capitalism is utopian. To expect social solidarity from markets, or self-management from central planning, is equally utopian. To argue that competition can yield empathy or that authoritarianism can promote initiative or that keeping most people from decision-making can employ human potential most fully: these are utopian fantasies without question. But to recognize human potentials and to seek to embody their development into a set of economic institutions and then to expect those institutions to encourage desirable outcomes is no more than reasonable theorizing. What is utopian is not planting new seeds but expecting flowers from dying weeds.

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<sup>1</sup> We call this broader perspective a “holistic approach” and it is elaborated in detail in our *Unorthodox Marxism* (1978), *Marxism and Socialist Theory* (1981), and *Socialism Today and Tomorrow* (1981), all published by South End Press, Boston. Many of the arguments and ideas expressed in this essay are developed in one or another of these three volumes, often at greater length and with more practical and historical examples. I here, too, the reader will find extensive bibliographic materials.

<sup>2</sup> A full, multi-sided discussion of these issues appears in *Between Labor and Capital*, Pat Walker ed. (Boston: South End Press, 1980). Our own contribution is titled “A Ticket to Ride: More Locations on the Class Map.”

<sup>3</sup> See *Between Labor and Capital*, especially Sandy Carter, “Class Conflict: The Human Dimension.”

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<sup>4</sup> Although we have many disagreements with Rudolf Bahro's views as set forth in his *The Alternative in Eastern Europe* (London: New Left Books, 1977), he does address this question in detail and with much sensitivity. Also relevant is the work of George Konrad and Ivan Szelenyi, *The Intellectuals on the Road to Class Power* (New York: Harcourt, Brace, Jovanovich, 1979).

<sup>5</sup> Albert and Hahnel, *Socialism Today and Tomorrow*. Technically, one could argue that a benign central planner armed with each individual's preferences in light of every possible social context could in fact find the optimal plan. This argument is irrelevant, however, because the communication of so much information—literally an infinity of preferences for every individual and unit—is impossible, and also because it precludes social interaction, thus ensuring that over time individuals' personalities will become so asocial that the drift of society and the economy will once again be individualistic in the worst sense. Our solution makes all this information manageable without excluding its essential social aspects, aspects that are necessarily excluded under a market or standard central planning mechanism.