



What's Next?

Parecon (Participatory Economics)

By Michael Albert

People now fighting economic injustice have no right to decide how future people should live. But we do have a responsibility to provide an institutional setting that facilitates future people deciding for themselves what their own conditions of life and work should be. To this end, participatory economics, or parecon, describes the core institutions required to generate solidarity, equity, self-management, and an ecologically sound and classless economy.

Parecon first advocates self-management by workers' and consumers' councils, federated by industry and region, as society's primary venues of economic decision making. "Self-management" means people and groups have decision-making influence in proportion to the extent to which they are affected by the decision in question.



In the case of issues that affect overwhelmingly just one person, that person should make the decision—albeit in the context of broader guidelines, such as those regarding the length of the workday or defining job responsibilities, already in place as a result of collective decision-making processes involving a wider range of participants. In the case of issues affecting overwhelmingly a work team, that work team should decide—again, typically abiding by broader guidelines that, for example, address the duration of the workday and the plan for the flow of production.

Sometimes the best way to get self-management is to seek consensus. At other times, a simple “one person, one vote” majority rule may be best. On still other occasions, other methods may make sense. A key insight is that those involved must not only have appropriate say, but also understand the circumstances and information suitable for developing relevant opinions, engaging in relevant discussions, and setting workable agendas.

Parecon-ish equity therefore means you get more income for working harder, longer, or under worse conditions, as long as you are producing things people want.

The benefits and costs any economic actor faces should be the same as those faced by everyone else because we are all people and all entitled to comparable conditions of life.

Imagine two people who do the same job, for the same duration, at the same intensity, under the same conditions, and so have the same income. Now, suppose the former person wants more income to consume more. Parecon recognizes that it is perfectly predictable and reasonable that people should vary in their tastes for consumption goods and services. But, says parecon, it wouldn't be fair if income changes were implemented by fiat. What makes the accumulation of more income fair is if the person wanting more income arranges to work longer or harder or under worse conditions.

On the other hand, suppose, instead, someone doesn't care nearly so much about consumption of goods and services as the average person, but wants more free



time. Parecon says, that fair compensation practices allow, if possible, that the person can arrange to work fewer hours and take a smaller share of the social product. The idea is that the overall impact of work and consumption taken together on “conditions of life” for the two people remains equitable.

Consider the surgeon who has to undertake a college education, medical school, and an internship prior to becoming a practicing surgeon earning a surgeon’s pay. The surgeon’s pay needs to be very high, claims the professional economist, journalist, teacher, and so on, or the prospective surgeon won’t follow the path. Absent high incentives for being a surgeon, people won’t do it. The same is true for being a doctor, lawyer, accountant, professor, high-level designer, scientist, and so on. Lacking high incentives to attract new members, says the pundit, these professions will die for want of people doing them.

But suppose that instead of simply accepting this familiar claim, we test it. Think of telling a student leaving high school and hoping to be a surgeon that a big change in society has made it the case that surgeon’s salaries, instead of being \$600,000 a year, are henceforth going to be \$80,000 a year. Will the student, as a result, reject the idea of going to college, attending medical school, and being an intern before becoming a surgeon because he or she could immediately begin a life-long career working in a coal mine, even supposing that coal mining pays \$90,000 a year? Try asking some students. None will say they will switch—not one. Incentives are needed precisely when one is being asked to do something more onerous, or more time consuming, or more intense. But you don’t need an incentive to work shorter hours, at lower intensity, or under less onerous conditions.

Because some time, even in a worthy economy, has to go to work that isn’t as intrinsically rewarding as playing, studying, resting, or being with family. And some time even has to go to downright onerous work that is intrinsically unpleasant and unfulfilling, even when we understand and are motivated by the benefits it bestows on society. Incentives matter. Parecon provides them.

The additional information issue, often overlooked, is this: Someone might reply to the above, “No, we don’t need to correlate income and work. We just need



people to understand the importance of each role and what the responsible, moral choice to make is, and they will act on that understanding.” The person adds, “I get that parecon has incentives which will yield a wonderful allotment of people’s energies and a distribution of the social output that is just, fair, and rewarding for all. But even so, I believe we can get that same allotment without bribing folks with payment for labor. That is demeaning, so why should we have payments?”

A first answer is that thinking of income rights as bribery is a bit odd, unless we are talking about income as it is in vile economies. But let’s set that aside.

If we disconnect work from income by having people work however much and at whatever they want while also having them consume however much and whatever they want without requiring a connection between the two decisions, we won’t get as good an allotment as with parecon’s approach. People will typically choose to work too little for the social good to be optimally met and will likewise choose to take too much from the system, which will fail to deliver because the available output will fall well short of available demands for income.

This shortfall of work and excess of demand will not occur because people are greedy, lazy, or irresponsible, but because in this setting people will have no way to know what is responsible and moral, and they will not and should not wish to mistakenly police themselves into working too much or having too little income.

Moreover, good people in a good economy should in fact prefer to work fewer hours, less intensely, and under less onerous conditions for a given income. And the same people should want to receive more income, for a given number of work hours, intensity, and onerousness. Indicating that they want less work and more income is critically important to the economy innovating to make that happen, to the extent that *(i)* it is possible and desirable to do so and *(ii)* consistent with acceptable social and ecological implications.

No one can know—in the abstract—what is a fair amount to offer to produce, or what is a fair amount to ask to consume, because what is fair depends hugely on the available tools, resources, knowledge, needs, desires, and so on. Fairness is not



prescribed on a tablet but instead has to emerge from a discussion of what people want as their income, working conditions, and working hours. By disconnecting production and consumption decisions, we would lose the means of knowing what is responsible, leaving people to curb their own appetites and desires rather than express them. It probably shouldn't need saying, but for completeness: people being able to receive income from merely doing anything they want is also hugely problematic. I would like to play professional tennis at Wimbledon, but as it would have no social value it should not be remunerated.

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Likewise, without indications not just of people wanting x (where x is some good such as a product, some leisure, a type of work, clean air, and so on) but of how much they want x relative to their other preferences, there is no way for producers to know how much x it is appropriate to produce, or where to invest.

Something close to self-managing councils and equitable remuneration is very often adopted in real circumstances by at least some real workplaces. Worker cooperatives have no owners and typically don't reward property, power, or output, but they do tend to equalize wages and utilize a workplace council for decisions. So do occupied factories, as in hundreds of instances in Argentina not so long ago, and as currently in Venezuela. In such cases the owner either leaves, or is ejected, or didn't exist from the outset. Salaries are equalized but then typically vary for duration. Councils function democratically and often use the flexible means described above, with teams deciding their own circumstances and using different tallying for different situations.

However, a problem often arises. In time, initial excitement starts to dissipate. Workers start to skip council meetings. A few people wind up determining



options. Income differentials enlarge. Alienation ensues. And, finally, participants blame themselves. “This is who we are,” they think. “It must be in our genes to have growing disparities of income, power, and circumstance. We tried. It didn’t work. There really is no alternative.”

To counter this depressing outcome, parecon balances all jobs so they each have roughly the same overall empowerment effect. The challenge is in staving off corporate divisions of labor.

In corporate divisions of labor, about 80 percent of the workforce perform jobs whose component tasks are overwhelmingly disempowering. These jobs tend to fragment workers from each other, separate workers from information about decisions, involve workers in rote and repetitive activity, and in all these ways cause a steady decline in workers’ skills, confidence, knowledge of workplace relations, and familiarity with making choices. The other 20 percent of the workforce performs jobs whose tasks typically enhance ties to others, increase social skills, provide access to decision contexts, enlarge confidence and knowledge of workplace relations, and, in general, empower people to participate in and impact decisions.

Parecon’s claim is that the corporate division of labor creates a class division between those who monopolize empowering work, the “coordinator class,” and those who are left with overwhelmingly disempowering work, the working class. The coordinators’ position in the economy conveys advantages, up to and including ruling class status in “coordinatorism” (often called 20th century socialism).

When adopted in occupied factories like those in Argentina some years back, or in Venezuela now, or in cooperatives all over the world, the corporate division of labor leads to 20 percent of the workforce not only setting agendas and choosing actions, but eventually reimposing inequitable incomes that ultimately lead to ruling class status for themselves. For this reason, in addition to self-managing councils and equitable remuneration, we need a new division of labor called “balanced job complexes” if we are to have real self-management and real classlessness.



“ *Parecon’s alternative to market-based ... resource allocation is called participatory planning, which is built on the idea of viable, collective self-regulation.* ”

The fourth feature parecon offers has to do with arriving at an optimal level of workplace and consumer inputs and outputs and their distribution throughout the economy. History offers three main choices for such allocation decisions: markets, central planning, and voluntary self-regulation.

Markets intrinsically impose antisocial motivations and inequitable remunerative norms as well as vast power differentials and ecological suicide. They violate self-management, and elevate a coordinator class above workers.

Central planning intrinsically creates that same class division, and even more obviously violates self-management. It also tends to violate ecological preservation and accrues excess wealth for the planners (and whole coordinator class) while promoting obedience and domination that in turn spread to other areas of life.

Voluntary self-regulation is a wonderful sentiment, but as a method for resource allocation, it typically assumes away important underlying complexities. For people to self-regulate in accord with worthy values and real possibilities requires a means for people to determine what qualifies as worthy choices regarding both work and consumption; a context that makes people’s well-being depend on and enhance the well-being of others; and a process that apportions self-managing say to each. In fact, parecon’s allocation system is built on the idea of viable, collective self-regulation. That is precisely what it delivers, but without assuming away complexities.

The inclusion of corporate divisions of labor subverts the prior attainment of council-based self-management and equitable remuneration by the intrinsic



class implications the monopolization of empowering work imposes on all actors. Similarly, choosing either markets *or* central planning subverts the prior attainment of council-based self-management, equitable remuneration, and balanced job complexes as a result of the psychology, operational behaviors, and ensuing class implications these allocation methods impose on all actors.

Thus, parecon needs to propose a self-regulating allocation alternative to both markets and central planning that is compatible with its other three defining features. Good allocation requires wise and informed collective self-regulation to arrive at optimal levels of economic inputs and outputs that meet needs and develop potential while fostering solidarity, enhancing equity, and enacting self-management. It must do so in light of an accurate awareness of the true social and ecological costs and benefits of all of our choices.

This is a big list of virtues, but it is what parecon claims to achieve. Parecon's alternative to market-based, centrally planned, or purely voluntary resource allocation is called participatory planning, which is built on the idea of viable, collective self-regulation. Workers' and consumers' councils present proposals, and they implement collective self-management by interactively and cooperatively refining them by negotiating levels of inputs and outputs that are consistent with and depend on the norms of remuneration and balanced job complexes. That is, they collectively self-regulate.

There is no top or bottom. There is no center. It is not a competitive rat race. Solidarity is literally produced by the requisites of the process, not antisociality. And yet the vision does not assume a population of omniscient and morally saintly people. Instead, simple structures enable, facilitate, and make such results the rational, personal, and community-serving aim of everyone. That is participatory economics.

What follows are answers to the specific questions posed by the Next System Project.

Core Goals

Briefly, what are the principal, core goals your model or system seeks to realize?



The model called participatory economics, or parecon, is overwhelmingly about economics. It has just a few guiding values, plus a few specific institutional commitments intended to fulfill those values while also accomplishing economic functions.

In a nutshell, the values are:

- ✦ self-management;
- ✦ solidarity;
- ✦ diversity;
- ✦ equity;
- ✦ classlessness; and
- ✦ ecological sustainability.

The institutional commitments are:

- ✦ self-managing workers' and consumers' councils;
- ✦ remuneration for duration, intensity, and onerousness of socially valued labor;
- ✦ balanced job complexes; and
- ✦ participatory planning.

Major Changes

What are the principal changes you envision in the current system—the major differences between what you envision and what we have today?

Parecon is not only a new type of economy to replace capitalism but is also fundamentally different from what have been called “market competition” and “centrally planned socialism.” Using capitalism as the current system of reference, however, the changes are that:

- ✦ parecon's decisions are made in self-managing workers' and consumers' councils and federations of councils (and not by owners or a narrow sector that monopolizes empowering positions);



- ✦ parecon's remuneration is for duration, intensity, and onerousness of socially valuable labor (and not for property, power, or even output);
- ✦ parecon's work is organized into what are called "balanced job complexes;" each actor enjoys a mix of responsibilities that ensures that everyone has a comparably empowering situation (and not organized into a corporate division of labor which has about 20 percent of the workforce monopolizing all empowering tasks);
- ✦ parecon's allocation occurs by way of cooperative negotiation by workers and consumers, called participatory planning, and not by market competition or central planning.

Principal Means

What are the principal means (policies, institutions, behaviors, whatever) through which each of your core goals is pursued?

The means of winning change are activism that steadily develops more support for the values and features in question, creates changes that alleviate current pain and suffering, and, in so doing, builds organizational and other means to pursue still more gains in the future until attaining the new institutions.

Three brief examples would be:

- ✦ Fighting for higher wages, a higher minimum wage, or for other gains in existing institutions in the direction of more equitable remuneration, but doing so in a manner that raises consciousness of ultimate goals in that area. For parecon, this means doing so in a manner that raises awareness of and desires for remuneration for duration, intensity, and onerousness of socially valuable labor.
- ✦ Fighting for workers to have greater say over circumstances individually on the job or via their organizations concerning issues such as workplace relations, policy, or larger scale matters of allocation (say, such as participatory budgeting)—but done in a



way that raises consciousness of ultimate goals in that area. For parecon, that means doing so in a manner that raises awareness of and desires for collective self-management.

- ✦ Fighting for better conditions at work (even for redefinition of jobs to be more fair and more balanced), as well as on-the-job training to develop worker potential that is done in a way that raises consciousness of the ultimate goals in that area. For parecon, this is done in a way that raises awareness of and desires for balanced job complexes and classlessness.

When possible, in addition to fighting for changes in existing relations, another approach is to immediately implement new projects and institutions in the interstices of current society that incorporate the sought aims. This teaches about those aims, provides a model for other endeavors, and fights cynicism by demonstrating possibility. Three examples would be:

- ✦ Setting up a workplace of one or another type—a medical facility, publishing operation, think tank, restaurant, whatever—and, within it, implementing the seeds of the future in the present. In the case of parecon, that means implementing equitable remuneration, self-management, and balanced job complexes.
- ✦ Setting up consumers' councils and doing collective consumption as well as agitating for new consumption relations.
- ✦ Even setting up, in some area, a bunch of innovative workplaces with self-management, etc.; establishing some nearby consumers' councils or communes; and, finally, beginning to cooperatively negotiate their mutual relations via a kind of fledgling participatory planning.

Geographic Scope

What is the geographic area covered by the model? If the nation-state, specify which ones or what category you address.



A participatory economy would typically refer to a country, I suppose, but one can also imagine a neighborhood or county within a country implementing as many elements as possible. On a larger scale, one could imagine a federation of countries conducting economic life in participatory economic unison for that larger domain, such as Latin America or Europe, say.

Temporal Scope

Recognizing the large uncertainties, if there is a transition to the revised system about which you write, what would you suggest as a timeframe for the new system to take shape? Where on the spectrum from imminently practicable to purely speculative would you place your proposals?

Transition is a muddy concept. What has to be achieved before we say we have fully transitioned to a new system? Is it only that some institutions are in place, or even just partially in place, in some parts of a country? Is it that all key institutions are fully in place throughout a country? Or does it require that everyone is functioning well in the newly established institutions—or even that everyone is not only functioning well but has left behind all attitudes and habits from the past system?

It is going to be awhile for even the first achievement in most countries, though in some others arguably that condition already exists. It will be quite a long time for the second condition to be met, and still longer for the third. Indeed, whatever we mean by transition, in any country where movements with real roots in broad sectors of the population achieve great power—which could be Venezuela, say, or could happen imminently in Greece or Spain, and so on—efforts could be made not just by small dissident groups, but by major movements, and even governments. In such cases, though there are of course risks, significant institutional progress could occur much faster than otherwise.

On the second point, doesn't everything seek to be practicable? Parecon certainly does. And is there anything that is purely speculative, I suppose meaning having no roots in experiences? Parecon certainly isn't.



I believe participatory economics is immediately relevant and could—and for some people does—right now impact choices. How much that can happen, at what scale, and regarding what immediate choices is different for different countries. If the Bolivarian movement in Venezuela, or Syriza in Greece, or Podemos in Spain (and likewise for various other formations) announced support for parecon and then sought to educate and facilitate public support for that, their making headway could create a great many changes in accord with parecon, even now. They would not be able to usher in the whole system until popular, informed support and activism was sufficient both to overcome opposition to implement and to sustain the changes, but they would be able to take a great many steps moving toward the whole system while, at the same time, growing ever more support for the full journey.

Short of that, participatory economics could—and I would say should—inform movement choices even in more fledgling contexts. Movements as well as projects like publications, web sites, and the like, could, and I think should, as possible and in context, attempt to incorporate balanced job complexes and self-management. Even just this step would have very profound and far-reaching immediate practical implications.

Theory of Change

What factors or forces might drive deep change towards the system you envision? What is the explicit or implicit theory of change in your work? What is the importance of crises? Of social movements? Of available examples of change? What's the biggest problem or impediment for adoption of your model?

The only underlying dynamic I think always operates is a clash between existing relations plus the habits and circumstances they impose, and existing desires plus the aspirations they unleash. I don't believe in some kind of "one way fits all situations" change that derives from technology, or accumulation, or whatever. Change virtually always depends on people who decide they want it and will fight for it, and, for that matter, on people who don't want it and will fight against it. Of course, many factors can cause people to want change and to be willing, or



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unwilling, to fight for it, including technological factors, social relations, cultural trends, and especially ideas and organizing efforts. And one also strongly expects that as struggle for change enlarges, there will be a great many more activists involved as protagonists from various oppressed constituencies.

Social crises, technical innovations, even natural disasters and many other factors can contribute to galvanizing people, raising awareness, and generating struggle, but in each case that is far from inevitable. Crises, for example, can also cause people to want to escape disruption by going back to a stabilized and familiar past.

Social movements are a potential vehicle of change, of course, though so too are organizations. Likewise, examples of change in the form of actual projects can cut through cynicism and provide benefits now, as well as provide lessons for improvements in our understanding of what we are seeking.

The main point, I think, is that strategy and tactics are largely contextual. We can say, reasonably, that we favor such and such values or institutions for a new society. But I don't think we can say we favor this strategy or this tactic and mean it essentially universally. We can certainly evaluate strategies and tactics, and in some cases make virtually universal claims about aspects of their implications, but we cannot say that they will always be warranted, or even always not warranted.

So participatory economics welcomes the idea of economic struggle on behalf of working people to unseat owners, to spread empowering tasks, to make fair allocations, to make rational allocations, and to plant the seeds of the future in the present. Therefore, it puts a strong onus on tactics and strategy that history



suggests would not have these effects—particularly the last—while biasing strongly toward those that would have these effects.

The biggest obstacles to winning new societies are cynicism as well as confusion among people who could benefit, and, of course, also the opposition of existing structures and habits and of existing elites. I would emphasize the cynicism, myself, as being most pivotal.

Some Specifics: Economy

Insofar as your work addresses the nature of the economy, how (if at all) do the following fit into the future you envision? How are productive assets and businesses owned? Does ownership differ at different scales (community, nation, etc.)? Do forms of ownership vary by economic sector (banking, manufacturing, health care, etc.)?

In a participatory economy, there is no private ownership of productive assets. Private ownership of productive assets simply does not exist as a category, or role, or thing in a participatory economy.

How are public and private investment decisions made?

In a participatory economy, public and private investment decisions are made via the councils of workers and consumers presenting, comparing, evaluating, refining, and settling on choices via the participatory planning process. That is, investment decisions are cooperatively negotiated, as are all economic allocation choices, albeit typically involving larger councils and federations of councils as primary actors.

What is the role of private profit and the profit motive? Who owns and controls economic surplus?

In a participatory economy there is no private profit and there is no profit motive. These are simply gone.

There is no reason to refer to an economic surplus, either, though I suppose one could be defined. The point is, there is a social product—the total output of the



economy—and people have claims on it via their income, which is in turn proportional to the duration, intensity, and onerousness of the socially valued labor they do.

In capitalism, a very large part of the economic product goes to people called owners as profits. Some of it also goes to broad production projects affecting nearly everyone—but those who are stronger benefit more. The rest of the product, after profit, large scale investment, and public goods are accounted, goes to all others, but overwhelmingly in proportion to their bargaining power, which is in turn affected by many factors such as unionization, monopolies on skills and information, racism, and sexism, etc.

If we switch to a participatory economy, there is still an overall social product—though now its composition changes very greatly from what it would be with capitalist (profit-driven) relations. Likewise, in a participatory economy each person gets an amount of the social product based on their duration, intensity, and onerousness of socially valued labor. Property and power play no role.

What is the role of the market for goods and services? For employment? Other?

There are no markets in a participatory economy. People do not buy cheap and sell dear at prices set by the clash and jangle of bargaining power. They do not compete for market share. They do not trample others in a rat race. They do not manipulate others, ignore others, nor exploit others. All this is gone.

What is the role of planning in your model? How is it structured? How, if at all, made democratic?

In parecon, participatory planning is the mechanism of allocation. It occurs by workers' and consumers' councils negotiating economic inputs and outputs. All actors have a say proportionate to the effect of outcomes on them relative to effect on others. It is not merely democratic, but self-managing.

There is no center, no periphery, no top, no bottom. The main image to have is that of individuals and their councils proposing what they want—for work and



for consumption—and then comparing and refining in light of new information, for a number of rounds of massage, so to speak, until arriving at a workable and desirable plan. Of course, there are various tools and mechanisms employed, but that image is arguably the heart of the matter.

How are the international economy and economic integration handled?

If some or many countries are still capitalist, but one or a few are participatory economic, then one can guess that the parecon countries would enter into agreements with others with the aim of ensuring that the exchanges return the bulk of the benefit to the less well-off participants, so the transactions benefit all while steadily reducing global inequalities.

One way to do this would be for the participatory economies to engage with capitalist ones at market prices if those (quite rarely) did convey more benefit of transacting to the weaker economy, or, to engage at the valuations participatory planning delivers, when that is more in the interests of the weaker party.

How do you address economic localization, globalization, decentralization, 'glocalization,' and similar issues? Where is the primary locus of economic life?

We want an economy which determines things like scale, mutual connections of dependence and independence, content, and level of trade or self-reliance, etc., all in accord with people's self-managing wishes. This should occur while preserving and even expanding solidarity, diversity, equity, and self-management, without classes, and with using the best available assessments of personal, social, and environmental implications for those immediately involved and for all others as well.

This means there are no single answers to such questions. We don't decide in advance for all cases that there should always be separate self-sufficient entities or that there should always be larger or smaller workplaces, what kinds of materials should be used, what products should be made, and so on. Instead, we want institutions that can and will arrive at good decisions in all such matters—sometimes this will mean one way, sometimes another way, as specific conditions warrant.



Suppose in a good economy there is a desire for lots of bicycles. Okay, now we might wonder, should this economy produce bicycles in every little town and locale, or should it produce them, in, say, two, five, or ten very large production units?

Some would argue that we know it ought to be the former because in that case the bicycles are made very near to their users and so don't have to be shipped all over the country from a few origin points. This is deemed ecologically so good that we can just say, even now, that this is what must happen.

Others will say, however, that having the large units is quite obviously best, and should happen, because such units will enjoy massive economies of scale that will make each hour of work much more productive of bicycles, thereby saving labor.

A few others, and I would hope all advocates of participatory economics, might add: "Wait, it is true that local production of the bicycles will mean their final destination is right near where they are produced, but it will also mean the resources for producing them at local sites will have to be shipped to all the firms assembling them. What if the fewer production units were right near those resources?"

Many things matter, in other words, not just one or two. For example, what will be the impact of a large or small plant on the work life of those in it—not a large or small hierarchical, alienating, authoritarian plant, but a large or small pare-con-ish one? Similarly, what will be the impact of having to ship not bicycles all over, but the resources that small dispersed plants will have to receive to assemble bicycles—steel, rubber, whatever? Or even, what will be the ecological footprint of the workplaces—will the small ones have the same total waste, or excess, or less, then large ones? More, will it be easier or harder to deal properly with the waste in the small or large units—remembering that the large ones are no less inclined to deal, and even be better able to do so?

The point is that what ultimately makes best sense depends on a great many factors and not just one or two that someone chooses to highlight while ignoring the rest, usually due to having got caught up in the importance of a few. And so what is needed is not to try to guess in advance what makes sense and then



impose that guess on the future, but to have institutions that can reveal all the factors involved and facilitate assessing them wisely and then deciding in light of full information and implications, what to do, case by case. And that is precisely what participatory economy claims to provide.

How do economic competition and cooperation play out?

There is no economic competition for income, none for market share, none for power, etc. These dynamics are simply gone.

More, you can't benefit by competing, even if you were greedy and wanted to; participatory economics doesn't include such options.

Cooperation is present and dominant in allocation, in workplaces, in neighborhoods, and between all these as well. Not due to magic but because it best benefits all involved. Cooperation is the way to advance self, even if you are antisocial and don't care about others. In that respect, a participatory economy propels solidarity in contrast to a market system that propels egocentrism and antisociality.

Here is one example. Suppose I want more income—for some expensive hobby or whatever. I can't get that by any form of competition. I have only two routes to it. The first is to arrange to work longer, harder, or doing some onerous tasks, beyond my usual workload. Or, second, I can urge that the entire social product grows to the point of meeting my hobby desires while I am still getting the same percentage. This second path means, essentially, getting the whole economy, the populace, to opt for more. In both cases my task involves dialoging, not competing.

Do commodification, commercialization, and the commons surface in your analysis?

Nothing is a commodity in the pejorative sense in a participatory economy. Similarly, nothing is commercial in the sense of seeking advantage for a few. Producers have no motive, for example, to try to sell stuff to people other than what the people really, and wisely, and with honest and accurate information, believe will benefit them. You don't want to be producing stuff that people don't benefit from. For instance, there is no point whatsoever in manipulative advertising.



If we mean by “the commons” public goods, they may be provided free to all (meaning that if there are costs, everyone shares the costs because everyone encounters fewer private goods due to allocating resources to the free ones)—or they may have prices paid by their beneficiaries who are in some limited area or otherwise enjoying the benefits that others do not.

How is private property handled in your analysis?

Personal property is private in the usual sense. But there is no private ownership of productive assets. That is simply gone.

What mix of business enterprise sizes do you envision?

Some production it makes sense to do in small units. Some production in large ones. This is true for social and ecological reasons, but contrary to what many on the left think, with a classless economy of the parecon sort, even ecological reasons could well favor a larger rather than smaller scale for some, but not all projects, as noted in an earlier answer.

How do you envision the future of the large corporation and what specific measures do you envision for corporate governance and control, internal and external?

There are no corporations in a participatory economy. There are workplaces, industries, etc.

Workplaces of all sizes are governed by their workers’ council’s decision-making processes in the context of participatory planning agreements.

Self-management operates not only because self-managing councils exist, but also because all participants enjoy economic responsibilities that prepare them to participate comparably to all other participants in those councils—and indeed, this is the purpose of balanced job complexes.

What role do you see for innovative corporate forms, coops, public enterprise, social enterprise, and public-private hybrids?



None of this has an obvious meaning in a fully developed participatory economy because all firms in such an economy would share the basic defining features, though of course also have many specific differences beyond those commonalities.

It is hard to imagine any reason why there would be, in a well-established participatory economy, some firms that were privately owned or state owned, etc. They would not have benefits for anyone beyond the private owners at the expense of others, and that would not be agreed to by all those others. The same goes for some firms employing corporate divisions of labor, say.

On the other hand, different firms, in different places or different times, or producing different things, or with different workforce backgrounds and priorities, would certainly opt for different features in their work relations and methods, even bearing on how they create their balanced job complexes, conduct their meetings, determine their schedules, and establish their holidays. So participatory economic firms differ, but not in the ways mentioned.

For example, there is no public/private divide because all firms are social and public as well as involving their own immediate employees. All firms are cooperative in the sense of a workforce making self-managed decisions and, as well, enjoying equitable income and balanced work roles, which goes well beyond what most people currently mean by cooperatives.

What is the evolution of the workweek (hours worked, say, per year)?

This is a decision for future citizens, freed to make choices, to decide as they will. I would imagine, however, if pressed for a guess, that there will be an average, very typical of workplaces, but that people will freely diverge from that, up or down, due to preferring more leisure and less income, or more income and less leisure. (Note: if everyone wants to work more than the current average, because they want more goods and services, then the average hours per workweek will rise. And, vice versa, if everyone wants less work, because they want fewer goods and services, then the average hours per workweek will drop.) In any event, in a participatory economy there is zero pressure to accumulate, accumulate.



What is the envisioned future of organized labor?

In a well-established parecon, all who work are workers and none who work are in a higher coordinator class. All have the same norms applying to them, with only equitable ways to receive more or less income. In that context, with the system fully established, it is not obvious, at least to me, what a union would provide that a workers' council doesn't.

There is no class outside workers, no authority outside workers that a union could confront. No one to demand something from. But, if there is some reason for unions in an established parecon that I am not seeing, then presumably they would exist just as a political party might exist, or even a movement backing some innovation—where I should note that I think each of these certainly would exist.

On the other hand, on the way to achieving a participatory economy, of course unions could, and hopefully will, play a profoundly important role by seeking gains going in that direction and, in essence, arguing, urging, and struggling for working-class control.

What are the roles of economic growth and GDP as a measure of growth in your system? What is the priority of growth at the national and company levels?

There is zero pressure for growth per se from parecon's institutions. No firm is trying to produce and distribute as much as it can for purposes of gain. Instead, they produce only an amount consistent with desires for the product while accounting for the costs to workers, communities, the environment, etc. The only pressure for output, much less for a growth of output, is people's desires for the content of any added output.

The overall gross amount produced is relevant in a parecon because it determines the pool of social product which people's income gives them a share of. But wanting output per se, in a parecon, has no positive purpose. And thus wanting growth per se, has no positive purpose. What one wants, or not, is specific stuff one benefits from, leisure, and a fulfilling environment and circumstances.



How is money created and allocated?

Income, which is determined by duration, intensity, and onerousness of socially valued labor, is a claim on output. It establishes a person's budget from which they apportion parts to pay for various goods and services. Money is just an accounting placeholder to facilitate keeping track, so that consumption and production are equitable.

Some Specifics: Society

How do you envision the future course of income and wealth inequality? What factors affect these results? How do you envision the future course of economic poverty? What factors affect these results?

In a participatory economy, the variation in income among people is easy to describe. Those who can't work for health reasons get the social average income plus what they need for medical or any other issues, etc. Those who can work get a share of the social product in accord with the duration, intensity, and onerousness of their socially valued labor, plus medical benefits, etc.

All public goods that society decides to provide to the whole population, for example medicine or education, simply reduce the amount of specific stuff that each actor has available for personal consumption. Using a factory or whatever else to produce a public good means it is not producing private goods.

Thus, the bottom line is that one person having more income than another would occur in a participatory economy only due to choices by each of them, in context of their workplaces, to work longer or less long, harder or less hard. What is equilibrated is, in the end, the social value, so to speak, of the leisure/work or leisure/income package each person enjoys.

Are special measures envisioned to protect and enhance children and families? To advance the underprivileged? To promote care-giving and mutual responsibility?

Children would get some income level agreed to socially. For the sake of discussion



it would presumably be average, or a bit more or less, depending as society judged the needs of children and their parents. The specifics are decisions for the future.

There are no underprivileged in a participatory economy since everyone has exactly the same privileges as everyone else. There would be sick people who are unable to work, and presumably they would simply receive a full average income, plus medical benefits, simply on the grounds of being human.

Economics is not remotely all of life, and other key spheres of living will also alter, no doubt, not least so each can operate well in context of the rest.

How do racial, ethnic, and religious justice figure in your work?

Participatory economics is understood by its advocates to be a vision for only one part of a desirable society. Still, even just with participatory economics in place, there could be no major racial, ethnic, or religious injustice because there are simply no ways for one group to exploit another. You couldn't have, say, a group denied balanced job complexes because everybody has one; nor could a group be subjected to control because everyone has self-managing influence; nor could a group lack income because all get income according to the same norm, and so on. Attitudes could be bad, but the material benefits, daily circumstance, and level of say within a well-established participatory economy could not be. If racism was able to impose such inequities, then it would be overcoming participatory economics and, indeed, destroying it.

Put differently, if a society that was aggressively and pervasively racist, say, was transforming toward a parecon, the changes would create economic structures that were out of alignment with continued cultural and other relations that were still pervaded by racism. There would be a tension, in that case. One or the other would have to change, most likely. The racist pressures would change the economy, or vice versa—equitable relations in the economy would change cultural institutions. But, that dynamic relation which could go either way aside, I don't know any advocates of participatory economics who wouldn't also want to see what we might call intercommunalism, or participatory culture: new racial, ethnic, and religious relations that were free of injustice.



Without belaboring the point: self-management means a religious, ethnic, or racial constituency cannot be subjected to decisions by some larger constituency which treats them adversely. So the role of these horrible phenomena in trying to win a better society is that we should create a vision bearing on these sides of life and not just on an economy; we should work to ensure that the economic vision and the cultural and community visions are compatible and mutually supportive, rather than in contradiction; and finally, we should pursue them all without prioritizing any one above others.

What role do gender and gender issues play in your work?

The answer is analogous to what is outlined directly above for race, even though the specifics are different.

Even just with participatory economics in place, there could be no major gender-specific economic injustice because there are simply no ways for one group to economically exploit any other. You couldn't have, say, women (or members of the LGBTQ community, or any group at all), denied balanced job complexes or subjected to control or lacking income, and so on.

If a society that was aggressively and pervasively sexist, say, was transforming toward being a parecon, the changes would create economic structures that were out of alignment with gender and other relations that were still pervaded by sexism. There would be a tension. One or the other would have to change. But, that aside, I don't know any advocates of participatory economics who wouldn't say they also want to see what we might call participatory kinship: new institutions in familial, sexual, procreative, nurturance, and other relations that were free of injustice and truly liberating.

As with cultural hierarchy, the role of fighting sexism in the process of seeking better societies is that we should create a vision bearing on this side of life and not just on economics; we should work to ensure that the economic vision and the gender or kinship vision are compatible and mutually supportive, rather than in contradiction; and then we should pursue them all without prioritizing any one above others.



What, specifically, is the role of community in your model? What measures and factors affect community health, wealth (“social capital”), and solidarity, and how central are local life, neighborhoods, towns and cities?

Community means, I take it from the question, groups in proximity or sharing some identity that causes them to see one another as alike in some sense. The private incomes of members, the collective goods and services they all enjoy, and their relations with other communities would all bear on what impacts their conditions, of course. In parecon, this is all a matter of self-managing choice.

Some people, I suppose, will be very much involved with a community, others may be a lot less so. A good society would not legislate such matters, so there is no reason to guess that there would be anything other than a myriad of choices.

Do you envision a change of values, culture, and consciousness as important to the evolution of a new system? If so, how do these changes occur?

The values of self-management, solidarity, equity, diversity, classlessness, and ecological balance are important in guiding the definition of parecon and to people seeking it.

How do people change their values? Largely through understanding the merits and debits of different ones, but also through experiencing them in action.

What are the roles of the consumer, consumerism, and advertising in the system you envision? Self-provisioning? Sharing, renting, and bartering?

The consumer's role is to participate in participatory planning, and then, based on his or her income, enjoy the things he or she has chosen to have from the social product. If consumerism means becoming so enmeshed in consuming that one does it simply to do it, that won't exist. Why would it?

Conveying information about products will exist in a parecon. But there will be no desire to have people get one's products other than that the people doing so would truly benefit. One doesn't want to spend time producing stuff people buy but don't use.



In current capitalist societies, the volume of stuff that is produced and bought yet conveys no pleasure or other benefit is enormous. One estimate, for example, is that about 40 percent of all food produced is wasted. This too loses all logic in a parecon, whereas in capitalism it has a very clear logic, with profits and various factors pushing it.

How do “leisure” activities—including volunteering, care-giving, continuing learning—figure in your work?

If the activity is work done in context of a workers’ council and which generates a social product that others benefit from, it would be remunerated. If it isn’t, or if one doesn’t want income for it, that is okay too, I would think.

However, suppose I spend a bunch of time making my living unit nicer for myself and my family. Is that work which warrants remuneration? I guess different participatory economies could decide this matter differently, but for myself, I think it won’t be deemed work that can be remunerated.

In fact, even if homes became part of a “home life” industry that had workers’ councils and balanced job complexes and so on—which I don’t think will occur or would be good—I still don’t think this type of activity done by me in my home (or by you in your home) would be considered work deserving remuneration. Here is why: I do the work. I am the beneficiary of it (or my family is). I am not really adding to the social product things that others want and can benefit from.

Think of it this way: when I work producing bicycles and get paid for that, I don’t get to walk off with all the bicycles I put together. When I make my living room nicer, if I get income for that, then I would get the income and also the product.

And this has literally nothing to do with housework per se. Suppose a few friends and I create a little firm which produces things which my friends and I keep. This is not contributing to the social product things that others sought via participatory planning, either, and so it isn’t remunerable.



Caregiving, meaning being a nurse, say, or anything like that, is a role in the economy and certainly remunerable. Education, meaning teaching, is similar. Suppose, however, that I decide I want to learn Chinese, or I want to learn about cosmology, so I would like to take off from my usual job, stay home, and pursue these interests. It is fine to do, but not for income. Learning skills for work is different, and could certainly be remunerated, though I suppose a society might conceivably decide otherwise, though I doubt that any would.

Some Specifics: Environment

In your work: If your system addresses environmental concerns, how do you conceptualize “the environment”? Do you envision the economy as nested in and dependent on the world of nature and its systems of life?

Participatory economics addresses the environment because the impact of our activities on the environment must of course inform what we do and how we do it. Just as personal and social costs and benefits go into assessing economic actions, so must their impact on the environment enter into such assessments.

Do you address a rights-based environmentalism (e.g. right to clean water) and the idea that nature has legal rights? Do we have duties to other species and living systems? Are any of your goals non-anthropocentric?

Participatory economics can certainly incorporate non-anthropocentric concerns and requirements, but, no, they are not intrinsic to it. Rights of people to clean water, in contrast, are intrinsic to participatory economics.

For myself, I think, as the question implies, there are two levels of approach to the environment. The first is to care about it and account for it in terms of environmental impacts on people. This approach is intrinsic to participatory economics. Alternatively, we could also have in mind what one might call “rights of nature.” The most extreme version of this might say, for example, as I once heard an activist put it, that mountains have a right to be mountains and therefore we have no right removing one. A less extreme version would accord rights to living things, perhaps to some more than others.



Parecon can work at either level. Assessing choices in terms of environmental impact that affects people is intrinsic to it. Assessing choices on grounds of environmental impact on mountains, or even other living things but not people, would require laws limiting participatory planning results. There is no problem choosing to have these.

Do you envision addressing environmental issues outside the current framework of environmental approaches and policies (e.g. by challenging consumerism, GDP growth, etc.)?

Participatory economics does all that, intrinsically. It doesn't require laws or other external intervention for those purposes.

How do you handle environment-economy interactions, trade-offs, and interdependencies?

Environmental costs and benefits are part of economic accounting and deciding, no different in that sense than social and personal costs and benefits.

How do you address transnational and global-scale environmental challenges?

Same answer, though if there are non-participatory economies, then, like now, there would need to be laws, etc. Even in participatory economics, there could be a place for such constraints.

Does your work explore the links between large-scale environmental challenges (like climate change) and other economic and political issues?

Parecon provides a set of economic institutions in which all such matters can and will be addressed as people decide on their various pursuits. This in no way precludes a political system of the future such as a participatory polity having laws and mechanisms bearing on such matters as well.

Some Specifics: Polity

To what degree would your proposed model require Constitutional change? What specifically might be required or recommended?



Any two main spheres of social life can be usefully viewed as each a bit like a very powerful school. That is, an economy, a polity, and other spheres of life have roles and behavior patterns and modes of thought which people enact and repeat, and, in so doing, people develop certain capacities, expectations, and habits. What we become, so to speak, to operate well in any one main defining sphere of life needs to not conflict with what we need to be doing to operate well in others.

The point is, different spheres of social life that have profound impacts on who we are, on what we can do, on what we expect and want, can't impact us so that we have contradictory inclinations to what some other sphere of life needs. With an economy that effectively schools citizens in participation, self-management, and solidarity, you can't have a polity that denies all that. Or, better said, if you do have a polity that denies all that, the situation will be unstable. Either the economy will lose its virtues or the polity will change to have them.

Beyond that, the answer to your question is that every advocate of parecon I know also favors parpolity, which is described, itself, in various other presentations.

Does your model have anything to say about liberty and how it may or may not relate to the design of your model? And how, specifically, is liberty nurtured and protected?

Some might mean by liberty something like people can do whatever they want, and anything that impedes that impedes liberty. I think that is a horrible conception. I would say something more like: I should be free to do what I want so long as this doesn't extend to me being free to do things that curtail your equal freedom. Each person's liberty ends, so to speak, where each other person's begins. This is self-management.

How does your model address questions of political and institutional power?

Institutions are essentially just conglomerations of roles. They are social relations, habits, and rules—patterns of behavior defined by the various roles that compose them. The only power that an institution should have, then, should be its role definitions, and those, parecon—and parpolity—take hugely seriously precisely from the point of view of guaranteeing self-management, etc.



How does your model deal with problems of scale? How much decentralization does it include for large systems? How would decentralization be structured?

People make choices about what to do and how to do it. These occur in councils, with self-management, with assessments of implications for self, for others, for the environment, etc. The amount of decentralization depends on what best meets needs and develops potentials, not on some a priori belief that small is always good, or for that matter, that small is always bad.

Does your work address issues of foreign policy, international relations, regional integration, military policy and spending, war and peace, i.e. the international context of the new system? If so, how?

Does capitalism directly say anything about any of that? Actually, not explicitly. But capitalist relations have huge implications for all of that because they propel imperialism and colonialism, enable war spending as a tool and for profits, fail to empower working people, and so on.

Parecon has no rule or structure in it that is explicitly about these matters. Yet it would have profound effects, we can easily predict, due to removing the pressures of capitalism and instead pushing mindsets and habits in the opposite direction, toward peace, mutual aid, etc.

At different political levels, what polity and what political conditions are implicit or explicit in getting to success?

Parecon advocates for, favors, and would benefit from what is called participatory politics or parpolity.

There is an ongoing critique of representative government and exploration of direct, “strong,” and deliberative democracy. Does any of this figure in your framework? If so, how?

It figures greatly in parpolity, which you can quite reasonably think of as a political system motivated by the same deep desires as parecon and consistent with parecon.



Milton Friedman, among others, believed that only a crisis produced real change. Another old expression is that “good government is just the same old government in a helluva fright.” Do you examine crisis-driven political change and crisis preparedness?

Not per se, no. And I don't remotely buy it, either. This was dealt with earlier.

How central is government in the future you envision, both in getting there and staying there?

I think it is an essential part of social life—and done well, a real benefit for people and communities. Done poorly, it can be horrendous, of course.

As far as getting there, I do not think there is one path to better societies. I do think there are paths that would involve quite a lot of focus on government, including winning steadily more influence in it and using that influence to propel changes throughout society consistent with a better society including (but certainly not only) changes leading toward participatory economy.

In the system you write about, what are the appropriate levels of government expenditure or government as a share of the economy and how are these levels achieved?

What we call now government spending is overwhelmingly for public or collective goods, or for subsidizing private production for profit. Whereas now this is the purview of government, in a participatory economy it becomes just another part of the overall economic process, albeit the workforce for some parts (say, a center for disease control or a post office, or a school system) may be more an aspect of, and derive from, the political system than it is a matter of people simply creating a workplace to generate a product.

Do you envision social movements as important in driving political change and action? If so, can you elaborate on how this happens?

Social movements are a manifestation of political action and desire for current changes. And unless they have very short timelines, they also seek to further their influence into the future by raising consciousness in ever-wider circles of people



and members and by creating vehicles, movements, and organizations for manifesting pressure from those people.

The way such pressure works is that elites want to maintain some policy or prevent some other policy. Movements want to curtail the first or enact the second. Movements demand what they seek. Elites ignore them or at best say no. Elites hold the levers of power (when they don't, movements can just do what they intend). Okay, so movements have to try to get elites to do what they do not want to do. The method is that movements say to elites, "Do what we want or, if you do not, you will pay a price." Then movements try to raise that price high enough that elites finally give in.

What constitutes a cost is typically a plausible threat of further opposition, including branching out to attack more elite commitments, creating a work stoppage that cuts into profits, etc. When pressure becomes great enough, the losses elites fear are greater than the advantages they are seeking to defend, and at that point elites give in.

Real-World Examples, Experiments and Models

Are there specific real-world examples or experiments you can point to that embody your model or system or exemplify important elements of your approach?

We can think of two kinds of experimental efforts that would bear on any visionary model.

One kind would literally subscribe to the viewpoint. So in the case of parecon, this would be projects that believe in participatory economics and, since they operate in current circumstances, that embody as much as they are able to. They would see themselves as testing and trying to learn about and also evidencing the worth of the features they are embodying.

The second kind of effort would be ones where participants haven't even heard of a particular visionary model, or at least haven't self-consciously subscribed to it, but, nonetheless, are involved in choices that implement aspects or even whole parts of the vision.



Of the first type, yes, there are various projects—small, typically for want of assets and support—that embody equitable remuneration, council-based self-management, and, in some cases, also balanced job complexes. It is an odd feature of modern mentalities, and of inadequacy of my own connections as well, that I don't know about lots of these. I will get an email, every so often, telling me of some effort. I will write back and urge them to tell their story. That rarely, if ever, happens. Perhaps they try, perhaps they don't, I don't even know. These are sometimes medical offices or publishing operations or local cooperatives, etc.

The other sort of endeavor is very widespread. So, consider any cooperative or workplace that tries for equitable incomes for members or for pervasive democracy, which often turns out to be very close to self-management. Or, consider consumer federations, or councils, or cooperatives. On a larger scale consider, for example, efforts to democratize government budget processes, or Venezuela's councils and negotiated allocation in local areas. One can go on.

What is true but not widely realized is that actions, projects, campaigns, and so on are almost all experiments that bear on at least some issues relevant to participatory economics. And, for that matter, on other economic and social visions as well, supposing one asks pertinent questions of them and then follows up on those.

Are there other models that you see yourself aligned with or close to yours?

Typical socialist models that preserve markets and/or central planning diverge from participatory economics in such a pivotal way that, while one can learn from them, of course, I can't say I feel close to them. On the other hand, efforts that are less comprehensive and often even lack important elements that those flawed approaches nonetheless have (for example, solidarity economics, cooperative movements, participatory budgeting, workers' control efforts, or even just efforts to win dignity and better circumstances for workers), some of which are somewhat visionary but some of which don't even try to be, I do feel close to. I would imagine every advocate of participatory economics would.



The difference is, ironically, this: although I will agree with, say, an advocate of market socialism or centrally planned socialism about many matters of the day, we disagree fundamentally about the ultimate aim of activism. With the other endeavors I would also likely agree on matters of the day often, though in some cases not as often as with the market or central planning socialist. But on matters of ultimate aims, I think we share values, and the reason we don't share institutional commitments as well is merely that those other groups don't yet have long run institutional commitments, not that they have contrary ones.

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Michael Albert is a sixties activist and founder of South End Press, Z Magazine, and ZNet/ZCommunications, among other projects (such as the online school World Institute for Social Change, or WISC, and activist organization, International Organization for a Participatory Society, or IOPS). Albert is also author of over twenty books and hundreds of articles, and has spoken in countries around the world. He is co-author, and advocate, with Robin Hahnel, of the economic vision Participatory Economics, and the social vision, Participatory Society. In addition to books on economic and social vision and strategy, he has written a memoir called *Remembering Tomorrow*.



New Systems: Possibilities and Proposals

Truly addressing the problems of the twenty-first century requires going beyond business as usual—it requires “changing the system.” But what does this mean? And what would it entail?

The inability of traditional politics and policies to address fundamental U.S. challenges has generated an increasing number of thoughtful proposals that suggest new possibilities. Individual thinkers have begun to set out—sometimes in considerable detail—alternatives that emphasize fundamental change in our system of politics and economics.

We at the Next System Project want to help dispel the wrongheaded idea that “there is no alternative.” To that end, we have been gathering some of the most interesting and important proposals for political-economic alternatives—in effect, descriptions of new systems. Some are more detailed than others, but each seeks to envision something very different from today’s political economy.

We have been working with their authors on the basis of a comparative framework—available on our website—aimed at encouraging them to elaborate their visions to include not only core economic institutions but also—as far as is possible—political structure, cultural dimensions, transition pathways, and so forth. The result is two-dozen papers, to be released in small groups over the coming months.

Individually and collectively, these papers challenge the deadly notion that nothing can be done—disputing that capitalism as we know it is the best and, in any case, the only possible option. They offer a basis upon which we might greatly expand the boundaries of political debate in the United States and beyond. We hope this work will help catalyze a substantive dialogue about the need for a radically different system and how we might go about building it.

James Gustave Speth, Co-Chair, Next System Project

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