

# Beyond Class Rule Is Parecon

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*"If all economists were laid end to end, they would not reach a conclusion."*

*- George Bernard Shaw*

The economic vision, participatory economics, or parecon for short, has come into being over the last twenty years, and can lead to, I believe, a real utopia.

## Parecon's Values

*"Annual income twenty pounds, annual expenditure nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pound ought and six, result misery." - Charles Dickens*

Developing preferred values for economics will get us started toward arriving at an economic vision.

### *Solidarity*

*"Sociability is as much a law of nature as mutual struggle... mutual aid is as much a law of animal life as mutual struggle." - Peter Kropotkin*

Our first value addresses relations among people. In capitalist economics, to get ahead, one must trample others. To increase your income and power you must ignore the horrible pain suffered by those left below or even help push them farther down. This is not rhetoric - it is, instead, the logic of the roles owner and worker - buyer and seller. Greed is good, runs the mantra.

In contrast to the capitalist rat race, in which the winners are the greediest rats, a good economy should be a solidarity economy generating sociality rather than anti social greed. A good economy's institutions for production, consumption, and allocation, should, therefore, by the roles they offer, propel even antisocial people into having to address other people's well being if they are to advance their own well being. For us to get ahead in a good economy should derive from and depend on others getting ahead as well. When we act to better our lot, in a good society, by doing so we become more solidaritous with others rather than having to pervert ourselves to be hostile to others.

Interestingly, this first economic value, so contrary to the capitalist logic of "me first and everyone else be damned," which is how one operates successfully in capitalist institutions, is

entirely uncontroversial. Who in their right mind would argue that if we could have the same output with the same conditions and the same distribution of income, an economy would be better if it produced in the process of delivering the goods more hostility and anti-sociality in its participants than if it produced more mutual concern in its participants? Who would rather live in a hostile dystopian realm of nastiness than in a realm of mutual aid? Other than psychopaths, we all value solidarity and would all prefer not to trample others. We desire solidarity, not anti-sociality. The irony is, among their own kind, even rats greatly prefer this. Calling the interpersonal hostility imposed by the market and property relations of capitalism a rat race actually does a disservice to rats.

### *Diversity*

*"So long as the water is troubled it cannot become stagnant." - James Baldwin*

Our second value has to do with the options people encounter in their economic lives. Capitalist market rhetoric trumpets opportunity but capitalist market discipline curtails satisfaction and development by replacing what is human and caring with what is commercial, profitable, and in accord with existing hierarchies of power and wealth. In the process of doing this, market diversity is constrained to not include humane options. We get Pepsi and Coke but we do not get soda that takes account of the well being of soda producers or even soda consumers, or the environment - and likewise for other products. The tremendous variety of tastes, preferences, and choices that humans naturally display are truncated by capitalism into conformist patterns imposed by advertising, by narrow role offerings, and by coercive marketing environments that produce commercial attitudes and habits. Yes, we are varied in the Mall and the corporate workplace, but there are tight constraints on just how varied we are and in particular constraints that rule out options that account for human well being and development for all above profit and power for the few.

In capitalism, those who control outcomes seek the one most profitable method instead of many parallel methods suiting a range of priorities. They seek the biggest, quickest, brightest, of almost everything, if that is what they can sell most widely without undercutting hierarchies of power and wealth. They virtually always crowd out more diverse choices supporting greater and more widespread fulfillment and, most important, affecting people's knowledge, skills, confidence, and ties in ways contrary to elite domination. They do this not because they have anti social and homogenist genes, but because their positions as owners of capitalist firms requires these choices.

In the economy that we seek, given our values, we instead want economic institutions that not only wouldn't reduce variety but that would emphasize finding and respecting diverse solutions to problems. A good economy would recognize that we are finite beings who can benefit from enjoying what others do that we ourselves have no time to do, and also that we are fallible beings who should not vest all our hopes in single routes of advance but should instead insure against damage by exploring diverse parallel avenues and options. Even when we think there is one best way - most of the time, in fact, it is not the case, or at least will not always be the case that that one way is alone optimal. We should rarely, if ever, put all our eggs in one basket shutting down other options.

Diversity, like solidarity, is also an entirely uncontroversial value. Again, it would be perverse to argue that all other things equal, an economy is better if it homogenizes and narrows options than if it diversifies and expands them. Who would favor that? No one. So we uncontroversially value economic diversity, not economic homogeneity. Though we should perhaps add, this doesn't imply that we think all things are equally desirable, or that adding option after option is better than not ruling out some options. In particular we should rule out options whose inclusion tends to rule out many or even most other options. And we should also rule out, of course, options that violate other values we hold dear. Not confining ourselves to narrow single conceptions isn't the same thing as everything is welcome.

### *Equity*

*"The love of money as a possession—as distinguished from the love of money as a means to the enjoyments and realities of life—will be recognized for what it is, a somewhat disgusting morbidity." - John Maynard Keynes*

The third value we discussed earlier was equity or fairness regarding what each actor enjoys. This value, particularly applied to economics, is more controversial and it will need more attention if it is to become clear and compelling to us.

Capitalism, to start from where we are, overwhelmingly rewards property and bargaining power. It says those who own productive property deserve profits based on the productivity of that property. And it says those who have great bargaining power from a monopoly of knowledge or skills, or from access to better tools or organization, or from being born with special talents, or from being able to command brute force, are entitled to receive whatever they can take.

Obviously real fairness entails eliminating the property and thuggish roads to well being. But more positively, equitable economic institutions should not only not destroy or obstruct equity, they should propel it. A problem arises. What is equity?

Well, it can't be equitable that due to having a deed in your pocket you earn 100, 1000, or even a million or ten million times the income some other person earns who works harder and longer. To inherit ownership and by virtue of that ownership vastly exceed others in circumstance and influence cannot possibly be equitable.

And it also can't be equitable to reward power with income. The logic of the Mafia which is the same as the logic of Wall Street which is the same as the logic of the Harvard Business School, are all that each actor should earn as remuneration for their economic activity whatever they are strong enough to take. This norm promotes not equitable outcomes, but thuggery. If your union is stronger, you get more - if it is weaker you get less. If you have a monopoly on some assets and that gives you power, you can take more, if not, less. If your constituency suffers some denial in society - due to sexism, say, or racism, your power is lower than many others, and you can take less. Since we are civilized, we of course reject all this.

What about output as a basis for income? Should people get back from the social product an amount determined by what they themselves produce as part of that social product? After all, what reason can justify that we should get less than what we ourselves contribute? In that case, someone is taking part of the wealth I create. Or what reason could justify that we should get

more than our own contribution? In that case, I am taking some of the wealth others create. Shouldn't we each get an income based only and precisely on the amount we produce?

This seems obvious to many caring and humane people - including even to most anti-capitalists through history. But is it morally or economically sound? Suppose Jack and Katherine do the same work for the same length of time at the same intensity. If Katherine has better tools with which to generate more output, should she get more income than Jack who has worse tools and as a result generates less output even though working as hard or harder? Some may say yes. Others may say no. This is about what we prefer. All we can do to choose a norm for remuneration is to look at the implications of any proposed preference and spell them out more carefully, and then decide what we do, or do not, like.

Okay, should someone who happens to be employed producing something highly valued be rewarded more than someone who happens to be employed producing something less valued, though the latter is still socially desired and important to provide - again, even if the less productive person works equally hard and equally long and endures similar conditions as the more productive person?

Similarly, should someone who was lucky in the genetic lottery, perhaps inheriting genes for big size, musical talent, tremendous reflexes, peripheral vision, or conceptual competency, get rewarded more than someone who was genetically less lucky? In this case, it isn't that you luckily have better tools or luckily happen to be producing something of great value, it is that you are borne with a wonderful attribute you didn't do anything to get. Why, we might ask, on top of the luck of your genetic inheritance should economic institutions reward you with greater income as well? There is no incentive effect or high morality in such a choice.

In light of the implicit logic of all these examples, we should consider the idea that to be equitable, remuneration should be for effort and sacrifice in producing socially desired items.

If I work longer, in this view, I should get more reward. If I work harder, I should get more reward. And if I work in worse conditions and at more onerous tasks, I should get more reward. However, I should not get more for having better tools, or for producing something that happens to be valued more highly, or for having innate highly productive talents, nor should I get more even for the output of learned skills (though I should be rewarded for the effort and sacrifice of learning those skills), nor, of course, should I get more for work that isn't socially warranted.

Unlike our first two values, solidarity and diversity, this third economic value of rewarding only the effort and sacrifice that people expend in their socially valued work, is quite controversial.

Some anti-capitalists think that people should be rewarded for the overall volume of their output, so that a great athlete should earn a fortune since people in society highly value watching him or her play, and a good doctor should earn way more than a hard working farmer or short order cook, since an operation that saves a life is more valued than a dinner or some additional corn. An equitable economy, however - or at any rate a participatory economy - rejects that norm.

Participatory economic equity, as advocated in this chapter to accompany solidarity and diversity as our third value, instead requires that assuming comparable intensity and duration of work, a person who has a nice, comfortable, pleasant, and highly productive job should earn less than a person who has an onerous, debilitating, and less productive but still socially valuable and

warranted job, due to the sacrifice endured. The participatory economy rewards effort and sacrifice endured producing socially valued labor. It does not reward property, power, or output. You have to produce socially valued output commensurate to the productivity of your tools and conditions, yes, otherwise you are wasting assets and not benefiting society, but you are not remunerated in accord with the value of your output, but, instead, in accord with the effort and sacrifice you expend generating that output.

Two other anti-capitalist stances regarding remuneration claim many advocates, and we should consider those too. The first says work itself is intrinsically negative. Why should anyone thinking about a better economy think in terms of organizing or apportioning work? Why not just eliminate work?

This stance correctly notices that our efforts to innovate should seek to diminish the onerous or otherwise adverse features of work. But it moves from that worthy advisory to suggesting that we should entirely eliminate work, which is obviously nonsense.

First, work yields results we do not want to do without. The bounty that work generates justifies the costs of undertaking it. In a good economy, people would desist from excess work rather than suffer only insufficient returns for it. We expend our effort and we make associated sacrifices only up to the point where the value of the income we receive outweighs the costs of the exertions we undertake. At that point, we opt for leisure, not for more work. I want some stuff, so I am going to work, to be sure, but I don't want stuff so much that I will work myself all hours of day and night, or at a breakneck pace, or in odious conditions. Nor will I forget that it is desirable to change work to make it more pleasurable and less painful, more interesting and social and less boring and fragmenting, more sustainable and less pollutive, more productive and less wasteful.

As the famed geographer and anarchist Peter Kropotkin argued, "Overwork is repulsive to human nature - not work. Overwork for supplying the few with luxury - not work for the well-being of all. Work, labor, is a physiological necessity, a necessity of spending accumulated bodily energy, a necessity which is health and life itself."

In other words, the merits of work are not solely in its outputs, but also in the process and the act itself. We want to eliminate work that is onerous and debilitating, yes, but we do not want to eliminate work per se. We need to keep work, partly because of the outputs, but also partly because of the fulfillment that comes from the labor itself. So often we need to figure out how to do work differently than now, and we need institutions that permit and facilitate such choices. So about the advisory that we should reject work per se, we instead reject rejecting work per se.

The second anti-capitalist remunerative stance that rejects our approach to remunerating only duration, intensity, and onerousness of work, claims that the only criteria for remuneration ought to be human need. We should follow the advisory, "From each according to ability, to each according to need."

What this stance rightly highlights is that people deserve respect and support by virtue of their very existence. If a person can't work for reasons of health, surely we don't starve them or deny them income at the level others enjoy. Their needs, modulated in accord with social averages, should be met. If, likewise, someone has special and high medical needs, these too should be met even beyond the volume, intensity, or type of work the person is able to do.

So far, so good. The problem with rewarding need arises not when we are dealing with people who are physically or mentally unable to work, for which the advisory makes perfect sense, but when we try to apply the norm to people who can work and have no special medical needs.

For example, can I forego work and still benefit from society's output? Can I forego work and consume however much I choose? If we say yes, then why won't people choose to work relatively little and yet to consume a whole lot?

Usually what those who advocate payment for need and people working to capacity have in mind, is that each actor will responsibly opt for an appropriate share of consumption from the social total and will responsibly contribute an appropriate amount of work to its production.

But how does anyone know what is appropriate to consume or to produce? And, more subtly, how does the economy determine what is appropriate?

It turns out that in practice the norm "work to ability and consume to need" becomes for those who advocate it, work and consume in accord with social averages unless you have a good reason to deviate from those. Advocates of the norm believe or assume that people will responsibly go over and under social averages only when it is warranted.

But when is deviating from average warranted? Why won't one person think it is okay for so and so reason, and another person think it isn't? More, how does anyone even know what the social averages are? If we are all just working to the extent we choose and taking content to the extent we choose, what way is there to measure either? Likewise, how does the economy decide how much of anything to produce? How does anyone know the relative values of outputs to meeting needs if we have no measure of the value of the labor or other inputs involved in their production or of the extent to which anyone wants the outputs? How do we know if labor or other assets are apportioned sensibly and if we need innovations to increase output of some items or we should diminish output of others? How do we know where to invest to improve work conditions, to generate much desired output rather than other stuff that is consumed, but not much appreciated?

Whether one believes that remuneration for need and working to one's ability is a higher moral norm than remuneration for effort and sacrifice - and this is an open question that reasonable people can certainly differ about - the former norm is not practical unless there is an external measure of need and ability plus a way to value different labor types plus a way for people to determine what is warranted behavior plus an expectation that we will all do so. But all these qualifying requirements are precisely what rewarding effort and sacrifice instead of rewarding need makes real, even as it also enables people to work and consume more or less as they choose, and permits everyone to judge relative values in tune with true social costs and benefits. In other words, the aims lurking behind the desire to remunerate only need and to work up to ability are in fact fulfilled most desirably and fully by remunerating for the duration, intensity, and onerousness of socially valued labor.

So, finally, we have our third economic value, a controversial one even among anti-capitalists. We want a good economy to remunerate duration, intensity, and onerousness of socially valuable labor, and, when people can't work, to provide income and health care based on need. Of course as with solidarity and diversity, we have to see if we can conceive institutions to

deliver these values - and to do so without incurring mitigating losses. But now we are just arriving at some shared values - implementing them comes soon.

### *Self Management*

*"Never send to know for whom the bell tolls; it tolls for thee." - John Donne*

Our fourth value to translate to economy, and the last we will employ to guide our first try at an institutional vision, leaving stewardship and internationalism for coming chapters, has to do with decisions.

In capitalism, owners have tremendous say. Managers and high-level lawyers, engineers, financial officers, and doctors, each of whom monopolize empowering work and daily decision-making positions, and all of whom together we have called the coordinator class, have substantial say. However, people doing rote and obedient labor rarely even know what decisions are being made, much less being able to influence them.

In contrast, we of course want a good economy to be a richly democratic economy. One way of succinctly saying this is that we want people to be able to control their own lives consistent with others doing likewise. Each person should have a level of influence that won't impinge other people's rights to have the same level of influence. We each affect decisions in proportion to how we are affected by them. This is called self management.

Imagine that a worker wants to place a picture of his daughter on the wall in his work area. Who should make that decision? Should some owner decide? Should a manager decide? Should all the workers decide? Obviously none of that makes much sense. The worker whose child it is should decide, alone, with full authority. He should be a dictator in this particular case. The wall of my office or work area - my daughter, my eyes viewing it, I decide. Sometimes making decisions unilaterally makes sense.

Now suppose instead that a worker wants to put a radio on her desk to play loud, raucous, rock and roll all day long. Who should decide? My office, my desk, my ears, I decide? No. Obviously not. Because it isn't only my ears that will hear it. We all intuitively know that the answer is that all those who will hear the radio should have a say, and that those who will be more bothered or more benefited should have more say. The worker no longer gets to be a dictator, nor does anyone else.

At this point, we have implicitly arrived at a decision making value. We easily realize that we don't want a majority to decide everything all the time. Nor do we always want one person one vote with some other percentage deciding. Nor do we always want one person to decide authoritatively, as a dictator. Nor do we always want consensus, or any other single approach to discussing issues, expressing preferences, and tallying votes. All the possible methods of making decisions make sense in some cases, but are horribly unfair, intrusive, or authoritarian in other cases because different decisions require different approaches.

What we hope to accomplish when we choose from among all possible institutional means of discussing issues, setting agendas, sharing information, and finally making decisions, is that each person influences decisions in proportion to the degree he or she is affected by them. And that is our fourth participatory economic value, economic self management.

### *Problems with Our Values?*

*"If you want to know what God thinks of money, just look at the people he gave it to." - Dorothy Parker*

Before moving on to try to implement our values via institutions, we should consider whether they have any damning problems. Let's take each in turn, even if only briefly.

Is there any problem with an economy generating solidarity among its actors. Well, someone could say it will make us uncritical, so that we interact with one another only with praise, only with flattery, and so on. But of course that isn't solidarity - which is, instead, premised on honesty and only including, in addition to that, concern, empathy, mutual aid, and, in particular, at rock bottom, shared interests.

Diversity? Well, someone might say if you emphasize diversity you might add options ad infinitum crowding out the excellent with the mediocre. True enough. Sort of like objecting to saying Vitamin C is good for you by noting that if you have a pound of it a day you won't last long.

Maybe someone can find something sensible to worry about regarding solidarity or diversity, but I can't.

Equity is another issue. However. Here reasonable sensible people are going to very quickly have severe doubts. The argument goes like this. If you remunerate for duration, intensity, and onerousness, why will I become a surgeon? I can make as much, in fact I can make more, working in a coal mine, say - so I will opt for that, or for something like that. And so will everyone who would have been a surgeon in a capitalist economy. And as a result we will all die for want of medical care. If this reaction is accurate, our value is suicidal, so we have to assess it. Expressed in more fancy technical language, the critic says parecon's equity value generates insufficient incentives to produce what society needs.

The rest of the logic, when pursued a bit deeper, goes like this. Becoming a surgeon takes so long and is so difficult, I won't do it unless I get rewarded appropriately. When speaking to all kinds of audiences, all over the world, this objection always comes up, always in virtually the exact same form, as above, and always offered with absolute confidence. One response is to do a little thought experiment with folks, to test the logic of their claim.

Point to two folks in the audience and say, okay, you (the first one) are just getting out of high school and going to work in a coal mine, or something comparable, for, let's say, \$50,000 a year. You (the second one) are also just getting out of high school but are going to go to college, then medical school, and then be an intern for a couple of years, and then be a surgeon - earning \$500,000 a year. What you are telling us is that going to college is so much worse than being in



the coal mine for those four years, and then going to medical school is so much worse than being in the coal mine, and then being an intern is so much worse (and here there is at least some minuscule possibility of it being at least plausible), that after those years, for the next forty, you need to earn ten times what the coal miner earns. An advocate of our equity value says that is total malarky. We say you earn more only because you can take more. We say you don't need it as an incentive, or wouldn't, if things were arranged differently. So let's test which is the case.

Then you could say to person two, suppose we drop your income as a surgeon to \$400,000 will you forego college, medical school, and being an intern, as well as then being a surgeon, to instead go into the mine, or work on an assembly line, or cook burgers, or whatever? No? Okay, how about \$300,000, \$200,000...\$50,000, \$40,000 - and with every audience, not most, but every single one, you will get the same result. The person will ask you, what's the minimum I can survive on. I am going to be a surgeon, or lawyer, or engineer, or whatever - not a coal miner, or a short order cook, etc., down to whatever pay level I can manage to survive on. And there goes the objection.

The truth is, what we need an incentive for is to do that which is more oppressive to us - so, to work longer, harder, or at worse conditions. And then some hold out says, what about medical school? And you might answer that you will get income according to effort and sacrifice while in school, of course. But please, don't make believe that would be higher than for digging coal.

You might also point out, just to round out this account of the thought experiment, that being an intern in a hospital has almost zero to do with good health care - being up for thirty hours and handling emergencies is good health care? - and has almost everything to do with socializing the new doctor into the community of doctors by instilling a willingness to pursue profit for the hospital and riches for oneself even at the cost of health care. Indeed being an intern is quite like fraternity hazing, or, more aptly, boot camp in the army that gets soldiers ready to kill without remorse. And it generally takes only minutes to achieve consensus with any audience, even pre med students, on what being an intern is about too - or lawyers, who go through a similar hazing/socializing process - which says something about the extent to which, indeed, everyone knows that everything is perversely organized on behalf of elite benefit no matter the cost to others.

Other problems with equitable remuneration are more practical and can only be addressed once we discuss participatory economic institutions.

So what about problems with the fourth value: Self management? Here too, there is a quick and almost but not quite as universal objection. If all people, save presumably those in a coma or literally unable to cognitively function, have a say in proportion as they are affected, we will get horrible decisions, says the critic. His or her logic is that decisions involve serious cogitation and some people are much better at making decisions than others - and if we are all deciding we will get bad decisions compared to if we have just the experts decide.

In response, first, while the critic may think they are just rejecting self management, in fact it is instructive to point out that their complaint also rejects democracy, and even, arguably, makes a case for dictatorship. Thus, if Joe Stalin happened to be the best decision maker in society, then by the critic's logic, why shouldn't Joe Stalin decide everything? The point of this observation is to convey that while the quality of decisions is important, so is participation, for many reasons, of course. We don't argue against having a dictator solely on the grounds that Joe isn't omniscient and or is malevolent.

But then we might also say to the critic that we want to make very clear that we agree that expertise is of course very important to good decisions. And then we ask the critic, "who is the world's foremost expert - the foremost expert in the whole world - regarding what your preferences are?" The critic invariably replies that he or she is (although every so often someone will answer that their mother is). And we then point out that by the stated logic, that means that when it is time to consult people's preferences, to tally those preferences into a decision, each of us is the person to consult as the best expert in our preferences - it is we who should be counted.

Next, since that isn't alone enough to seal the case, we tend to give some examples of a simple decision. For example, we might say, imagine we are a workplace. We are going to paint the walls and we need to decide the paint to use. There are three cans, one of them is lead based. That, however, happens to be the one that most people like the look of. We agree that the impact of the paint on the wall on each is such that in this case majority rule makes sense. We are all very comparably affected. So we vote and the lead paint wins. In fact, only the expert chemist who knows about lead in paint - this is forty years ago - votes against using that can. So we screw ourselves. What's the lesson?

And everyone says, well, we should have found out the expert's knowledge and taken it into account. And we say, of course. And that seals the deal. We don't let the chemist decide for us. But we do consult the chemist. We don't let experts decide everything, but we do consult experts, and then they, and we, self manage our circumstances.

### **Parecon's Institutions**

*"It's a poor sort of memory which only works backward." - Lewis Carroll*

When people ask, what do you want for the economy?, at this point we can reasonably say we want solidarity, diversity, equity, and self management, but we need to be aware that is not alone sufficient to answer their question. If we advocate institutions whose logic leads to outcomes contrary to those values, such as markets, corporate organization, and private ownership, what good is our rhetorical attachment to fine values? Bill Clinton and Bill Gates would probably say they too like solidarity, diversity, equity, and maybe even self management, but would add that reality requires some minor compromises - which, however, lead to wars, starvation, indignity, etc., for the rest of us, plus leading to their personal enrichment and empowerment. So we need to advocate worthy values, yes, but we also need to advocate a set of institutions that can make our worthy values real without compromising economic success.

#### *Workers and Consumers Councils*

*"The dream is real, my friends. The failure to make it work is the unreality." - Toni Cade Bambara*

Workers and consumers need a place to express their preferences if they are to self manage their economic actions as our values advocate. Historically, when workers and consumers have attempted to seize control of their own lives, they have invariably created workers and consumers councils. This is true in a participatory economy, as well, except that in the parecon case workers and consumers councils include an additional explicit commitment to self management. Parecon's councils use decision-making procedures and modes of communication

that apportion to each member a degree of say in each decision proportionate to the degree he or she is affected.

Council decisions could sometimes be resolved by majority vote, three quarters, two-thirds, consensus, or other possibilities. Different procedures could be used for different decisions including involving fewer or more participants and using different information dispersal and discussion procedures or different voting and tallying methods.

Consider, as an example, a publishing house. It could have teams addressing different functions, such as promotion, book production, editing, etc. Each team might make its own workday decisions in the context of broader policies decided by the whole workers council. Decisions to publish a book might involve teams in related areas, and might require, for example, a two-thirds or three-quarters positive vote, including considerable time for appraisals and re-appraisals. Many other decisions in the workplace could be one-person one-vote by the workers affected, or could require slightly different vote counts or methods of challenging outcomes. Hiring might require consensus in the workgroup that the new person would join, because a new worker can have a tremendous effect on each person in a group that he or she is constantly working with.

The point is, workers decide in groups of nested councils and their teams both the broad and the narrower workplace decisions, including both the norms and the methods for decision making, and then also the day to day and more policy-oriented choices.

It really isn't very complicated in practice as compared to in brief description. Obviously we could usefully assess ease of operations, efficiency, and quality of outcomes, etc. and we will come back to those matters later. But for now, the reader may note that for full self management the decisions of a workplace regarding what to produce must also be influenced by all other people affected by that production, not solely be the workers themselves.

Those who consume the workplace's books, bicycles, or band-aids are affected and must in turn have some say. Even those who are unable to get some other product because energy, time, and assets went to the books, bicycles, or band-aids and not to produce what they wanted are affected and so must be able to influence the choice. And even those tangentially affected such as by derivative pollution also have to have influence, and sometimes collectively a lot of influence. But accommodating the will of the workers with the will of other actors in an appropriate balance is a matter of allocation, not of workplace organization, so these matters will enter a bit later.

### *Remuneration for Effort and Sacrifice*

*"I'd like to live as a poor man with lots of money." - Pablo Picasso*

Parcon's next institutional commitment is to remunerate for effort and sacrifice, not for property, power, or even output. But who decides how hard we each have worked? Clearly our workers councils decide, which is our fellow workers, respecting the broad economic norms established by all the economy's institutions.

If you work longer, and you do it effectively, you are entitled to more of the social product. If you work more intensely, to socially useful ends, again you are entitled to more income. If you

work at more onerous or dangerous or boring but still socially warranted tasks, again, you are entitled to more.

But you aren't entitled to more income by virtue of owning productive property because no one will own productive property in a parecon. And you won't be entitled to more income because you work with better tools, or produce something more valued, or even have personal traits that make you more productive, because these attributes don't involve effort or sacrifice but instead luck and endowment. Your work certainly has to be socially useful to be rewarded but the reward is not proportional to how useful it is. Effort, duration, and sacrifice expending producing outputs that aren't desired is not remunerable labor.

Greater output with less waste is appreciated, of course, and it is important that means of accomplishing it are utilized, but there is no extra pay for greater output. Yes, my working longer or harder yields more output, and greater output can even be a revealing indicator of my greater effort. But while output is often relevant as an indicator, the absolute level of output is beside the point as a means of establishing the level of remuneration, other than perhaps helping indicate how long I worked or how hard, and whether my work was socially useful.

Rewarding output is not only morally unwarranted, it is far from the best way of providing people with an incentive to increase output, since output depends on tools, genetic endowment, colleagues, and other factors we have no personal individual control over. If one is concerned with increasing each workers output by offering incentives, one should remunerate effort expended in producing socially valued labor. Effort is the variable the worker controls that impacts output. It's as simple as that.

Some on the Left, however, continue to reject remuneration for effort and sacrifice on the ground that this is what we have now with capitalism. Workers rent themselves out to capitalists and are rewarded more supposedly for working harder and longer. When they hear parecon advocates proposing effort and sacrifice as a fair criteria for remuneration they therefore feel that we have missed the point and will not transcend the rat race generated by the dynamics of capitalist economics.

This view is, however, a result of an analytical error. In fact capitalism does not remunerate for how hard and how long we work - although it can seem that way when we think in terms of hourly rates. Rather, capitalism remunerates for private ownership and for bargaining power. If you are a worker your hourly rate will be determined by your bargaining power which in turn derives from your job description, level of workplace organization, monopoly over skills or knowledge, level or organization, etc. So, for example, doctors have more bargaining power than do nurses due to having a monopoly on valuable knowledge and skills, and, as a result, they get vastly better hourly rates and monthly wage packets.

This may feel like remuneration for how hard and how long one works and this may lead some to reject the proposal for remuneration for effort and sacrifice without seriously considering the proposal, but this is a mistake simply because capitalism does not remunerate in this way. The rat race that Leftists rightly want to transcend is a product of the class system which is tied up with private ownership and the corporate division of labour - and particularly market competition, all of which are addressed by parecon.

But what about the workplace as a whole? Is it functioning wisely? This too is pretty straightforward. A workplace has certain assets - building, equipment, workforce, the inputs in

the form of resources or intermediate goods, etc. For the work that is done in the workplace to be considered socially useful, those assets have to be wisely used. Suppose my workplace has assets such that with an average outlay or duration and intensity the output level should be X. Suppose instead the output level is 90% of X. We can't claim average income, but only 90% of average income, for the whole workforce. How we divide that up internally depends on how long you worked, how long I worked, how intensely, etc. But the total amount we have for the workforce depends on the workplace using its assets well. The need for work to be socially valuable to be remunerated is what provides the whole workplace an incentive to use good equipment well, to organize and operate wisely, to invest sensibly, etc. The remuneration for effort and sacrifice for each person provides incentive for needed labor. The whole calculus follows our values, being equitable, yet also eliciting desirable behavior that makes effective use of equipment, the talents of workers, etc.

Both morally and in terms of incentives, parecon does what makes sense. We get extra pay when we deserve it for our sacrifice at work. The economy elicits appropriate use of productive capacities by providing incentives to properly utilize technology, organization, resources, energy, and skills, so that the work that is done is all socially useful. And as for how in each workplace the duration of our work, its intensity, and its onerousness is determined by the worker's council, that is under the purview of the workers themselves, of course, and will take many possible locally determined forms, though the essence of it is clear enough.

### *Balanced Job Complexes*

*"I am somehow less interested in the weight and convolutions of Einstein's brain than in the near certainty that people of equal talent have lived and died in cotton fields and sweatshops."*

-- Stephen Jay Gould

Suppose that as proposed we have workers and consumers councils. Suppose we also believe in participation and even in self management. And we have equitable remuneration. But suppose as well that our workplace has a typical corporate division of labor as our institutional way of apportioning tasks. What will the roles associated with a corporate division of labor do to our other aspirations for our workplace?

There will be roughly 20% at the top of the corporate division of labor who will monopolize daily decision-making positions and also the knowledge essential to comprehending what is going on and what options exist. These folks, who we chose to call the coordinator class, will set agendas. The decisions these managers, engineers, lawyers, doctors, and other empowered actors make will be authoritative. Even if workers lower in the hierarchy have formal voting rights and even if the whole population is in principle sincerely committed to self management, still, the more rote workers' participation will only be to vote on plans and options put forth by the group of more empowered workers who I call the coordinator class.

The will of this coordinator class will decide outcomes and in time this empowered group will also decide that it deserves more pay to nurture its great wisdom. It will separate itself not only in power but in income and status. When giving public talks I often divide the room up into four fifths workers and one fifth coordinators in a hypothetical workplace we are creating. Every time when I ask the groups how they will act - what they will feel and do - I get the same answers. The outcomes arise not only in thought experiments but in actual cases, as well.

Communes, collectives, worker run factories, and so on. It isn't enough to have workers and consumers councils that seek to implement self management and remuneration on the basis of effort and sacrifice if, on top of those features, we have a division of labor which sabotages the enlightened efforts and imposes a coordinator class of empowered employees above a working class of disempowered employees. In that case, even with the councils and commitments, our greatest hopes will be dashed against the structural implications of our job design.

As Adam Smith harshly argued, since "the understandings of the greater part of men are necessarily formed by their ordinary employments, the man whose life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding...and generally becomes as stupid and ignorant as it is possible for a human creature to be." Even if sometimes the effects are less disastrous than Smith predicts, surely the person repeatedly doing "a few simple operations" will not be an equal arbiter of economic outcomes as those whose work daily inspires, informs, enlightens, and empowers them. It is important to realize that while this picture horrifies a caring human being, it is quite congenial to an owner or coordinator class manager who wants obedience and passivity from the workforce.

So what is parecon's alternative to familiar corporate divisions of labor? We seek to extend the insights of William Morris, the noted nineteenth century artist and wordsmith, who noted that in a better future we would not be able to have the same division of labor as now. We would have to get rid of "servanting and sewer emptying, butchering and letter carrying, boot-blackening and hair dressing, as jobs unto themselves." He felt we would apply ourselves to production not so as to sell things, but so as to make things prettier and to amuse ourselves and others.

Morris was right not only about changing the motives of work to meeting needs and developing the potentials of those enjoying the products and also those doing the labor, but also about the need to alter the division of labor en route to that achievement.

Parecon concurs, therefore, with Smith's perception of the debilitating effect of corporate divisions of labor and with Morris's aspirations for future work. That is why participatory economics utilizes what it calls balanced job complexes.

We don't want the monopolization of empowering work to impose a coordinator class above a working class, in turn eliminating self management, equitable remuneration, etc. So how do we have a better situation? When a parecon advocate asks audiences that question, there is generally a lot of silence, and then maybe someone says how about we rotate jobs. We all do everything. The advocate may then reply, if you live in a run down ghetto and I live in a glorious suburb, rotating every so often won't fundamentally change much, except you will likely, and understandably, leave each time with as much as you can carry. And we can't all do everything, either. Large workplaces have thousands of tasks - each person doing a little of all of them is not just silly, but absolutely impossible. Blank faces typically result.

Then the advocate says, imagine another planet you are visiting. You go to a few workplaces and you see the same thing in each. One in every five workers has way better conditions and income, and those workers dominate all decisions. You also notice that before each work day the one in five who dominate eat a chocolate bar, and the others don't. You assume that is just another privilege they have, but then you investigate and discover that on this planet eating chocolate gives one knowledge, skills, information, confidence, etc. In fact, the one in five dominate precisely because they eat the chocolate and the rest do not. The chocolate

empowers them. And then the parecon advocate asks, what do we need to do in the workplaces on this planet to avoid a fifth of the participants dominating four fifths? And of course, everyone says, share the chocolate. In fact, they would also say that even if I were given the talk to fourth graders. It is not rocket science.

Well the same thing applies to dealing with the corporate division of labor. And at this point everyone gets it. Instead of combining tasks so that some jobs are highly empowering and other jobs are horribly stultifying, so that some jobs convey knowledge and authority while other jobs convey only stultification and obedience, and so that those doing some jobs due to the empowerment those jobs convey rule as a coordinator class accruing to themselves more income and influence while those doing more menial work obey as a traditional working class subordinate in influence and income - parecon says let's make each job comparable to all others in its quality of life and even more importantly in its empowerment effects. We don't have to share chocolate, we have to share empowering tasks and in doing so we move from suffering a corporate division of labor that enshrines a coordinator class above workers to enjoying a classless division of labor that elevates all workers to their fullest potentials.

In a parecon with balanced job complexes, each person has a job. Each job involves many tasks. Of course each job should be suited to the talents, capacities, and energies of the person doing it. However, in a parecon each job must also contain a mix of tasks and responsibilities such that the overall empowerment effects of work are comparable for all.

In a parecon there won't be someone doing only surgery and someone else only cleaning bed pans. Instead people who do surgery will also help clean the hospital and perform other tasks so that the sum of all that they do incorporates a fair mix of conditions and responsibilities, and likewise for the person who used to only clean rooms.

A parecon doesn't have some people in a factory who only manage production relations and other people in the factory who do only rote tasks. Instead people throughout factories do a balanced mix of empowering and rote tasks.

A parecon doesn't have lawyers and short order cooks or engineers and assembly line workers, as we now know them. All the tasks associated with these jobs get done, as needed, of course, but in a parecon they are mixed and matched very differently than they are in capitalist workplaces.

Parecon has a new division of labor. Each parecon worker does a mix of tasks that accords with his or her abilities but that also conveys a fair share of rote and tedious but also interesting and empowering conditions and responsibilities.

Our work doesn't prepare a few of us to rule and the rest of us to obey. Instead, our work comparably prepares all of us to participate in collectively self-managing production, consumption, and allocation. Our work comparably prepares all of us to engage sensibly in self managing our lives and institutions.

When balanced job complexes are offered as an idea to diverse audiences three objections always arise. After the chocolate example and some other moving descriptions of experiences of hearing workers who have occupied factories report on the devolution of good feelings and equitable and democratic relations due to the people who monopolize empowering work becoming a new boss in place of the old boss, audiences accept that to eliminate the coordinator

above worker situation this type step is required. However, they wonder if offsetting debits outweigh the benefits.

The logic always follows the same path. Either someone spontaneously yells out, or a presenter provokes someone to do so by asking if there are any medical students in the house who want to contest the desirability of balanced job complexes, that such an approach would be a calamity. If surgeons have to clean bed pans, we will have way less surgery done - and while we will have eliminated class division and the obstacle that class division poses for self management and equity, we will have done so at the cost of losing essential output - in this case surgeries and in other fields, poems, calculations, research, legal work, and so on.

A parecon advocate can answer that in one respect the complaint is exactly right. To make it simple suppose current surgeons work a forty hour week doing nothing but surgeries the whole time. And suppose it wound up that in a parecon the work week got shorter (which it quite predictably would) and after balancing off surgery with other less empowering tasks, the 40 hour a week surgeon in the old economy was only doing 15 hours a week of surgery in the new one. Well, that is a dead loss, looking at that one person, of 25 hours or five eighths of all the surgery by that person. And it would be true for all surgeons, so the previous surgeons would only be doing three eighths as much as they were doing before. We would all be royally screwed if that was the end of the story, and especially given that it would also be true for engineers, scientists, artists, managers, accountants, and so on. However, the reaction overlooks a very important point. We don't settle for the drop in empowered work. Instead, those who previously were doing no empowered work now do their share of empowered work and thereby make up the deficit. Audiences, depending on the venue, tend to go berserk. Impossible, they say. Why?, a parecon advocate might ask. Because nurses and custodians can't do surgery - law clerks and typists can't be lawyers, and so on, comes the reply.

To answer, one might off the following thought experiment. Imagine it is fifty years ago. You take all the surgeons in the U.S. And put them in a stadium, a big one. What do you see that is striking?

Someone quickly says, they are all men. Yes, and every one of those male surgeons would have said that women aren't here in the stadium with us because women can't do surgery. We of course recognize that that was gross sexism, not least because we are sensible, but also because medical schools in the U.S. are currently, for example, almost precisely fifty percent women.

The advocate of balanced job complexes can then explain that what makes people think those in the working class - people not doing any empowering tasks - cannot do any empowering tasks is classism, quite analogous to sexism. Instead of realizing that the reason people are unable to do certain things is that they are not only denied the training, but even more, they are forcefully robbed of initiative and confidence and access, we attribute the failing to their inadequate capacity. This is precisely analogous and equally delusional or self serving, as the case may be, to the sexist explanation of the absence of women surgeons decades ago.

Of course it takes time and training, but a random set of twenty people chosen from workers, and a random set of twenty chosen from the coordinator class - have, pretty much exactly the same general capacity to do empowering work of one kind or another, a claim we have come to understand about women as compared to men, and about various racial and cultural communities as compared to others, and now we need to come to understand about working people, as well.



But wouldn't it be inefficient for output to have to train so many more doctors, lawyers, engineers, etc., rejoins the critic? A parecon advocate can answer, no, not at all. In fact, on the contrary, getting all we can be from everyone is the exact opposite of inefficient. We just need to see it. To have a tool lie fallow, that is inefficient. The same holds for a person. We should also point out that even if total output would drop, though in fact on the contrary it would climb dramatically due to new contributions from more people, not to mention the gains that accrue from not having an elite defending its privileges and those below being recalcitrant about cooperating, we should still be for the changes.

Our values - the ones we have settled on - said nothing about maximizing output. Rather, the aim was to conduct economic life to meet needs and develop potentials while advancing solidarity, diversity, equity, and self management. And balanced job complexes would do all that plentifully, even if they were not more productive of desirable final goods and services, which of course they would be.

Well, there is more to say, of course, as with every other issue we have raised. As I warned in the introduction, what we have here is a failure to communicate enough - but the good news is that there are plenty of avenues to explore further, if the appetite is once aroused.

So, it is time now to move on to our next institutional feature. It arises the minute we ask what happens if we have a new economy that has workers and consumers councils, self-managed decision-making, remuneration for duration, intensity, and onerousness of productive labor, plus balanced job complexes - if, however, we combine all that with markets or with central planning for allocation. Would the sum of those components constitute a good economy?

#### *Allocation: Markets and Central Planning*

*"Upon entering Paris which I had come to visit, I said to myself, here are a million human beings who would all die in a short time if provisions of every sort ceased to go towards this great metropolis. Imagination is baffled when it tries to appreciate the multiplicity of commodities which must enter tomorrow through the barriers in order to preserve the inhabitants from falling prey to all the convulsions of famine, rebellion, and pillage." - Frederic Bastiat*

Say we hook up our fledgling firms with each other via market competition. First, markets would immediately destroy the remuneration scheme. Markets reward output and bargaining power instead of effort and sacrifice.

Second, markets would also force buyers and sellers to try to buy cheap and sell dear, each fleecing the other as much as possible in the name of private advance and market survival. Markets, in other words, generate anti-sociality not solidarity. We get ahead at the expense of others, not cooperatively with them.

Third, markets would explicitly produce dissatisfaction because it is only the dissatisfied who will buy and then buy again, and again. As the general director of General Motors' Research Labs, Charles Kettering introduced annual model changes for GM cars. He put the point: business needs to create a "dissatisfied consumer"; its mission is "the organized creation of dissatisfaction." The idea was that planned obsolescence would make the consumer dissatisfied with the car he or she already had.

Fourth, prices in a market system don't reflect all social costs and benefits. Market prices take into account only the impact of work and consumption on the immediate buyers and sellers but not on those peripherally affected, including those affected by pollution or, for that matter, by positive side effects. This means markets routinely violate ecological balance and sustainability. They subject all but the wealthiest communities to a collective debit in water, air, sound, and public availabilities.

Fifth, markets also produce decision making hierarchy and not self management. This occurs not only due to market generated disparities in wealth translating into disparate power, but because market competition compels even council based workplaces to cut costs and seek market share regardless of the ensuing implications. To compete, even workplaces with self managing councils, equitable remuneration, and balanced job complexes have no choice but to insulate some employees from the discomfort that cost-cutting imposes, precisely those people who they earmark to figure out what costs to cut and how to generate more output at the expense of worker (and even consumer) fulfillment.

In other words, this last point deserves some further exploration, to cut costs and otherwise impose market discipline there would emerge with markets, due to market logic, even with councils and balanced job complexes (at first), a coordinator class located above workers and violating our preferred norms of remuneration as well as accruing power to themselves and obliterating the self-management and equity we desire.

That is, under the pressure of market competition, any firm I work for must try to maximize its revenues to keep up with or outstrip competing firms. If my firm doesn't do that, then we lose our jobs and have only equitable poverty. So we must try to dump our costs on others. We must seek as much revenue as possible even via inducing excessive consumption. We must cut our costs of production, including reducing comforts for workers and unduly intensifying labor to win market share regardless of costs to others.

To relentlessly conceive and pursue all these paths to market success, however, requires both a managerial surplus-seeking mindset and also freedom for the managers from any suffering the pains that their choices induce. So even in a firm that is committed to self management and balanced job complexes, if we must operate in a market context our roles will impose on us a necessity to hire folks with appropriately callous and calculating minds such as those that business schools produce. We will then have to also give these new callous employees air conditioned offices and comfortable surroundings. We will have to say to them, okay, cut our costs to ensure our livelihood in the marketplace. Fuck us, in our interest.

In other words, we will have to impose on ourselves a coordinator class, not due to natural law, and not due to some internal psychological drive, but because markets will force us to subordinate ourselves to a coordinator elite lest our workplace lose market share and revenues, and eventually go out of business.

There are those who will claim that all these market failings are not a product of markets per se, but of imperfect markets that haven't attained a condition of perfect competition. This is a bit like saying that the ills associated with ingesting arsenic occur because we never get pure arsenic, but we only get arsenic tainted with other ingredients.

On the one hand, calling for perfect markets ignores that in a real society there is literally no such thing as frictionless competition so of course we will always get imperfect markets. But

even more important, it also ignores that the ill features of markets we have highlighted do not diminish when competition is made more perfect, but instead intensify. And all this is not just true in our thought experiment, but also in past practice.

Historically, the closer economies have come to a pure market system without state intervention and with as few sectors as possible dominated by single firms or groups of firms, or with as few unions as possible, the worse the social implications of the sort we describe above have been. For example, there have rarely if ever been markets as competitive as those of Britain in the early nineteenth century, yet, under the sway of those nearly perfect markets young children routinely suffered early death in the pits and mills of the time. The point is, well-functioning markets get various economic tasks done but otherwise do not promote excellence in any form. They do not resist and they even facilitate cultural and moral depravity. As a result, seeking an economy fulfilling our values means rejecting markets as a tool of allocation.

Moreover, the same broad result of market allocation destroying the benefits sought via councils, including destroying equitable remuneration and balanced job complexes, has historically held for central planning allocation as well, though for different reasons. Thus, central planning elevates central planners and their managerial agents in each workplace, and then, for legitimacy and consistency, also elevates all those actors in the economy who share the same type of credentials.

In other words, the central planners need local agents who will hold workers to norms the central planners decide. These local agents must be locally authoritative. Their credentials must legitimate them and must reduce other actors to relative obedience. Central planning thus, like markets, also imposes a coordinator class to rule over workers with the workers in turn made subordinate not only nationally, but also in each workplace.

The allocation problem that we face in trying to conceive a good economy is therefore that (as could be seen in the old Yugoslavia and Soviet Union) even without private ownership of means of production, markets and central planning each subvert the values and structures we have deemed worthy. They obliterate equitable remuneration, annihilate self management, horribly mis-value products, impose narrow and antisocial motivations, and impose class division and class rule - which is to say, they trample and destroy the values we wish to elevate and advance.

This is precisely the kind of thing our overarching theory attunes us to. It is a case of particular institutions - markets and central planning - having role attributes that violate our aims. The same held for the corporate division of labor, discussed earlier, and for private ownership of productive assets. The associated roles of those institutions too, obstruct, and actually obliterate, the values we favor. That is why we had to transcend them. And now we see the same implication for markets and central planning.

Allocation is the nervous system of economic life. It is both intricate and essential. To round out a new economic vision we must conceive a mechanism that can properly and efficiently determine and communicate accurate information about the true social costs and benefits of economic options, and that can then also apportion to workers and consumers influence over choices proportional to the degree they are affected.

“True social costs and benefits”? What is that? Well, suppose we make a car. What does it cost, truly? What are the benefits, truly? If we don’t know, how can we decide it is a good idea to make the car, instead of something else? If we don’t know, how can we decide if we need more cars, or fewer? The costs we need to take into account extend beyond those that the current capitalist owners of automobile plants consider. They want to maximize profits while retaining the rights to accrue those profits themselves. We want to advance our values while meeting needs and developing potentials of those involved. Very different. They take into account, the amount they have to pay for resources, intermediate goods, technologies employed, rent, electricity, and the wages they have to pay - as well as if there are any significant effects on their balance of power, their ability to keeping taking their preferred giant share of revenues. We take into account the costs of producing, transporting, and consuming cars including impact on the environment, on workers, on consumers, on bystanders, and communities, etc. We also take into account the benefits for those same affected constituencies - both individual and collective. So true social costs and benefits is an accurate measure of the gains and losses associated with the production and consumption of the car - in social relations, in the material and moral and psychological condition of workers and communities and consumers, and the environmental impact.

Desirable means of allocation, then, must also allocate resources, labor, and the products of labor in a flexible manner that is able to realign in case of unexpected crises or shocks. It must not homogenize tastes but instead abide diverse preferences, preserve privacy and individuality, engender sociality and solidarity, and meet the needs and capacities of all workers and consumers rather than aggrandizing a few. Desirable allocation must operate without class division and class rule but instead with equity and classlessness, and it must operate without authoritarianism and disproportionate influence for a few people but instead with self management for all. Finally, in deciding what to do with any particular asset - whether people’s labor or a resource like oil or copper, or some technology - whether to do one thing with it or another thing with it - it needs to take into account the true and full material and etherial social and environmental affects of the contending options.

Self management of allocation is clearly no little ambition given that virtually everyone is to at least some degree affected by each decision made in an economy so that in any institution - whether a factory, university, health center, or whatever - many interests ought to be represented in decision-making. There is the work force itself, obviously affected by their actions each day - whether they are deadened or enlivened, made sick or uplifted, and so on. And there is the community in which the workplace is located, polluted, for example, or uplifted, and there are the users of its products or services, presumably benefitting by their consumption, or losing because they were not put to a different use that they would have preferred. If society is making cars instead of public transport, I may gain from having a car, but I will also lose due to the lack of public transport. To have democracy, much less self management, entails that there are structures that displace and eliminate any influence for private owners of the means of production and resources, by ensuring that that type ownership no longer exists - but that also consult all affected parties appropriately in determining outcomes.

In other words while private ownership is disastrous in its effects on economic outcomes, as critics of capitalism have always claimed, the deeper and arguably even deadlier villains, as we have all too briefly indicated above, are markets and central planning. We not only need “directly democratic” workers and consumers councils, but we also need allocation connections

between workers and consumers that preserve and enhance informed, insightful, self managed decisions.

### *Participatory Planning*

*"Money is better than poverty, if only for financial reasons." - Woody Allen*

Suppose in place of top-down allocation via centrally planned choices, and in place of competitive market allocation by atomized buyers and sellers, we instead opt for informed, self-managed, cooperative negotiation of inputs and outputs by socially entwined actors who each have a say in proportion as choices affect them, who each have accurate information to assess, and who each have appropriate training, confidence, conditions, and motivation to develop, communicate, and express their preferences.

That choice of allocation attributes, if we could conceive institutions able to make it real, would, as we seek, compatibly advance council-centered participatory self-management, remuneration for effort and sacrifice, and balanced job complexes. It would also provide proper valuations of personal, social, and ecological impacts and promote classlessness.

Participatory planning is conceived to accomplish all this. In participatory planning, worker and consumer councils propose their work activities and their consumption preferences in light of continually updated knowledge of the personal, local, and national implications of the full social benefits and costs of their choices.

What does it look like?

Workers and consumers cooperatively negotiate workplace and consumer inputs and outputs. They employ a back and forth communication of mutually informed preferences using what are called indicative prices, facilitation boards, rounds of accommodation to new information, and other participatory planning features which permit people to express and refine their desires in light of feedback about other people's desires.

Workers and consumers indicate in their councils their personal and group preferences. I say I want such and such. My workplace settles on a proposal that we can and wish to produce thusly. We learn what preferences others have indicated as they learn ours. They and we alter and resubmit our preferences keeping in mind the need to balance a personally fulfilling pattern of work and consumption with the requirements of a viable overall plan. Each participant as worker and as consumer seeks personal and collective group well being and development. However, each can improve his or her situation only by acting in accord with more general social benefit. New information leads to new submissions in a sequence of cooperatively negotiated refinements, until settling on a plan.

As in any economy, consumers deciding on what they want for their share of the social product, take into account their income (from the duration, intensity, and onerousness of their

socially valued labor) and the relative costs of available products that they desire. This occurs not only for individuals deciding personal consumption, but also for households or communes, neighborhoods, and regions, all through consumer councils, up to the cumulative demand put forth by all of society. Workers in their workers councils similarly indicate how much work they wish to do in light of requests for their product as well as their own labor/leisure preferences. While workplace proposals are collective - for the whole workplace - they are arrived at with input from each individual in the workplace, of course.

In a participatory economy no one has any interest in selling products at inflated prices nor in selling more than consumers actually need - because imposing high prices and inducing purchases beyond what will fulfill people are not how income is earned.

Even if I could set some false inflated price for what I was selling, my income would not climb as it doesn't depend on the overall sales revenue. And the same goes for somehow getting people to buy what they don't really need. In fact, why would I want to produce anything - taking my time and energy - that wasn't actually going to benefit folks? I wouldn't, not in the participatory economic institutional setting.

Nor is there any need to compete for market share. Individuals and units do not advance by way of beating others in any manner. Rather, motives are simply to meet needs and to develop potentials at whatever level turns out to be preferred without wasting assets, which is to say, to produce what is socially acceptable and useful while compatibly and cooperatively fulfilling one's own as well as the rest of society's preferences. This is true not because people are suddenly saints. It is because cooperation is lucrative for all. Merciless mutual fleecing simply has no place in a parecon because there is neither means to do it, nor gains to be had from doing it.

Preferences for desired production and consumption are communicated by means of special mechanisms developed for the purpose. Negotiations occur in a series of planning rounds. Every participant has an interest in most effectively utilizing productive potentials to meet needs, because everyone personally gets an equitable share of output that grows as overall social output for all grows.

Each person also favors workplaces and all of society making investments that reduce drudge work and that improve the quality of the average balanced job complex, because this is the job quality that everyone on average enjoys.

Plans for the economy are of course continually updated and refined. It isn't that there are no errors or imperfections in the day to day and year to year operations of a participatory economy. It is that such deviations from ideal choices as occur arise from ignorance or mistakes and not the system itself, by its logic, causing such deviations - and so in no way systematically benefit one sector above others. Mistaken choices and deviations don't snowball or multiply in a manner that continually benefits some (in a ruling class, for example) to the detriment of others.

To choose what role and position to occupy in a participatory workplace, each person of course consults his or her own personal tastes and talents. Of course each person will be better suited and more likely to be happy at some pursuits than at others and will naturally opt for the former. However, each person's job search is solely about meeting personal preferences equitably. There is no choice that one can individually make or that a group can collectively

make that would accrue what other members of society would deem unjust power, wealth, or circumstance.

Participatory economics social solidarity. In a parecon I can get better work conditions if the average job complex improves. I can get higher income if I work harder or longer with my workmates' consent, or if the average income throughout society increases. I not only advance in solidarity with others, I also influence all economic decisions in my workplace and even throughout the rest of the economy at a level proportionate to the impact those decisions have on me.

Parecon not only eliminates inequitable disparities in wealth and income, it attains just distribution. Parecon doesn't force people to undervalue or violate other people's lives, but produces solidarity. Parecon doesn't homogenize outcomes and even underlying preferences, but generates diversity. Parecon doesn't give a small ruling class tremendous power while burdening the bulk of the population with powerlessness, but produces appropriate self-managing influence for all.

Parecon's economic viability and worthiness are argued in much greater detail in various places than we can allot to it here, in this more encompassing discussion that addresses all sides of life, not only the economy - including, for example, in the book *Parecon: Life After Capitalism* (Verso Press) as well as on the parecon web site at <http://www.zcommunications.org/znet/topics/parecon>. There, if you want to pursue the issues further, you will find talks, essays, books, interviews, q/a, addressing detailed concerns about productivity, efficiency, incentives, social relations, etc. Moreover, in the electronic or ebook version of this work - *Fanfare the ebook* - a considerable selection of extra material and examples accompanies the text you are reading in this print version, including multimedia, etc. Readers who aren't familiar with parecon's features and who haven't yet thought through their logic can certainly do so based on this chapter, but may wish to consult those other sources to do so more quickly and easily.

However, for the sake of the discussion here, suppose you have decided at this point that yes, it seems that parecon can produce goods and services to meet needs and that it can allocate them justly while also supporting values you hold dear. Should you become a strong advocate of parecon, while also trying to improve its features with your own insights? An argument against is that it could still be that while parecon works in the abstract, it would fail in reality due to incompatibilities with other parts of social life. Another doubt could be that while parecon is nice in theory, in practice it is unattainable due to strategic obstacles.

In other words, are the implications of a parecon for the rest of society desirable or are there broader social problems that undercut the worth and viability of parecon? And can we get from where we are to parecon? Assuming, at least for now, economic worth, those are some of the broader questions we will have to address in coming chapters. There is, however, one last thing to make very explicit here in this chapter.

*Debating Anarchists in the Persona of the Young Chomsky*

*"I can't understand why people are frightened of new ideas. I'm frightened of the old ones." - John Cage*

It is tempting to move on, at this point, letting the above discussion stand. However, the authors know that there are many anarchists, who we believe ought to find parecon to their liking, who will at this point instead not yet agree that the argument is sound. Perhaps the best way to address their concerns is to very closely address the views on this topic of the strongest and most astute advocates of anarchist aims over recent years.

In 1976, Noam Chomsky gave Peter Jay what may be his most extensive interview regarding what a desirable society might look like. The views Chomsky offered are still dear to him 45 years later, as well as to many other anarchists. They are dear to us, as well, and have influenced our own commitments, albeit with some changes.

Chomsky offered his observations as part of the heritage of “libertarian socialist or anarcho-syndicalist or communist anarchist views,” following “in the tradition of Bakunin and Kropotkin and Anton Pannekoek” favoring “a society organized on the basis of organic units, organic communities.” And in his views we find the basis for anarchist doubts about parecon.

Chomsky argued “that the workplace and the neighborhood, are central,” and that “from those two basic units there could derive through federal arrangements a highly integrated kind of social organization which might be national or even international in scope.”

He continued: “Decisions could be made over a substantial range...by delegates who are always part of the organic community from which they come, to which they return, and in which, in fact, they live.” While some anarchists entirely reject the idea of representation, clearly Chomsky didn’t, nor would I.

Chomsky also clarified that “representative democracy, as in, say, the United States or Great Britain, would be criticized by an anarchist of this school on two grounds. First ... because there is a monopoly of power centralized in the state, and second... because the representative democracy is limited to the political sphere and in no serious way encroaches on the economic sphere.”

Thus Chomsky’s, Kropotkin’s, Bakunin’s, and Pannekoek’s liberated society doesn’t reject institutions such as workplaces or even polity. It does, however, reject political or economic entities that are divorced from and rule over the population.

Chomsky added, that “anarchists of this tradition have always held that democratic control of one’s productive life is at the core of any serious human liberation, or, for that matter, of any significant democratic practice.” He continued, “as long as individuals are compelled to rent themselves on the market to those who are willing to hire them, as long as their role in production is simply that of ancillary tools, then there are striking elements of coercion and oppression that make talk of democracy very limited, if even meaningful.”

We think pretty much all anarchists and indeed anti capitalists of all types would agree. However a question arises. How does one organize an economy in accord with the need for “self-management, direct worker control, ... personal participation in self-management.”

Asked for an example, back in 1976, Chomsky replied “A good example of a really large-scale anarchist revolution... is the Spanish revolution of 1936....” which was “in many ways a very inspiring testimony to the ability of poor working people to organize and manage their own affairs, extremely successfully, without coercion and control,” though, “how relevant the Spanish experience is to an advanced industrial society one might question in detail.”



For himself, Chomsky thought and still thinks that “self-management ... is precisely the rational mode for an advanced and complex industrial society, one in which workers can very well become masters of their own immediate affairs, that is, in direction and control of the shop, but also can be in a position to make the major, substantive decisions concerning the structure of the economy, concerning social institutions, concerning planning, regionally and beyond.” But he added that, “at present, institutions do not permit workers to have control over the requisite information and the relevant training to understand these matters.”

And so again an obvious question surfaces, how does one structure an economy so it conveys the “requisite information” and “relevant training”?

Asked to switch to fill out his vision of anarchism, Chomsky replies, “Let me sketch what I think would be a rough consensus, and one that I think is essentially correct. Beginning with the two modes of organization and control, namely organization and control in the workplace and in the community, one could imagine a network of workers' councils, and at a higher level, representation across the factories, or across branches of industry, or across crafts, and on to general assemblies of workers' councils that can be regional and national and international in charter. And from another point of view, one can project a system of government that involves local assemblies -- again, federated regionally, dealing with regional issues, crossing crafts, industry, trades, and so on, and again at the level of the nation or beyond.” We agree with Chomsky that this is likely a rough consensus among anarchists, and rightly so, in our view, and we will get more deeply into the political dimension, next chapter, when we address participatory polity.

Chomsky continued, an “idea of anarchism is that delegation of authority is rather minimal and that its participants at any one of these levels of government should be directly responsive to the organic community in which they live. In fact, the optimal situation would be that participation in one of these levels of government should be temporary, and even during the period when it's taking place should be only partial; that is, the members of a workers' council who are for some period actually functioning to make decisions that other people don't have the time to make, should also continue to do their work as part of the workplace or neighborhood community in which they belong.” Again, this is unobjectionable.

Then, however, comes a point of possible concern. Chomsky says, “As for political parties, my feeling is that an anarchist society would not forcefully prevent political parties from arising. In fact, anarchism has always been based on the idea that any sort of Procrustean bed, any system of norms that is imposed on social life will constrain and very much underestimate its energy and vitality and that all sorts of new possibilities of voluntary organization may develop at that higher level of material and intellectual culture.” So far so good, though the minimal not “forcefully prevent” formulation foreshadows what follows when he adds, “but I think it is fair to say that insofar as political parties are felt to be necessary, anarchist organization of society will have failed.”

Why would people forming a political party be a sign of failure?

Chomsky explained, “it should be the case, I would think, that where there is direct participation in self-management, in economic and social affairs, then factions, conflicts, differences of interests and ideas and opinion, which should be welcomed and cultivated, will be expressed at every one of these levels.”

Agreed. But then Chomsky adds, “Why they should fall into two, three or n political parties, I don't quite see. I think that the complexity of human interest and life does not fall in that fashion. Parties represent basically class interests, and classes would have been eliminated or transcended in such a society.”

Of course I agree to the elimination of parties as agents of class interests. But does that imply that the existence of parties would indicate failure? Chomsky is saying he thinks human preferences are so diverse and varied that the only reason a considerable number of folks would share a set of views consistently contrary to those that other sets of people hold would be if the folks were in a different class due to occupying a structurally different economic position, thus having opposed economic interests. I don't think so.

Imagine a party forming around some new values that the participants are seeking to advocate and introduce into social life. Perhaps it is animal rights, as but one possible example. Or perhaps a new economic value - to equalize pleasure, say. Or maybe the issue is abortion, or something about space flight, or something to do with the rights of future generations compared to present populations. People form a party because they agree on some views and think other folks are wrong in not agreeing on those views, and because they want to make their case in concert with one another. Why must such a constituency be a class, or even any group within some hierarchy of power? Why can't it be that it is simply a group with a view that they deem very important but that others differ from?

However, as long as he says factions are welcome, I think the values underlying what Chomsky is saying and what I am amending it with are in accord, as we will see further next chapter. What I am calling a party is just a large faction that crosses neighborhoods and workplaces and which, for some purposes, wants to coordinate their collective efforts on behalf of ideas they share. So, if that is welcome, there is no real dispute, I think.

Chomsky also indicated that he is “unpersuaded that participation in governance is a full-time job. It may be in an irrational society, where all sorts of problems arise because of the irrational nature of institutions. But in a properly functioning advanced industrial society organized along libertarian lines, I would think that executing decisions taken by representative bodies is a part-time job which should be rotated through the community and, furthermore, should be undertaken by people who at all times continue to be participants in their own direct activity.”

As to how much time will have to go to adjudicating disputes, dealing with anti social actions, determining legislation for steadily altering circumstances, and implementing collective projects, I don't know, but I suspect it will be whole lot more than Chomsky seems to suggest. He was certainly right, however, that much and likely most of what current governments do will no longer be needed. He was also right that all people in all political functions, like for all other functions, must be well prepared to do their tasks well, and must be engaged in those tasks in ways and with responsibilities that do not elevate their power or wealth or their capacity to amass privilege either for themselves or for others, or to have say over outcomes beyond what is appropriate for all actors. Of course, how to accomplish all this is the meat and potatoes of the assertion that it must be so.

Chomsky pinpointed a broad underlying insight in his interview, I think, when he said, “it seems to me the natural suggestion is that governance should be organized industrially, as simply one of the branches of industry, with their own workers' councils and their own self-governance

and their own participation in broader assemblies.” Again, this is unobjectionable as long as we keep in mind that an airplane pilot, a steel worker, a doctor, or a governance worker, all need to have appropriate skills and knowledge, on the one hand, but also roles that give them no more overall power or privilege than any other citizen, on the other hand.

To put the problem another way: consider two industries: widget making and governance. Workers councils in both these industries would exist, and both would not have complete autonomy but instead be subject to a broader social plan they, however, contribute to, because their acts affect other people as well as other people’s acts affect them. Nevertheless, the external constraints on widget-making are likely to be far less intrusive to how widget workers operate each day than the external constraints on governance. For widget-makers society's interest is the number of widgets produced and the amount of resources to be used in their production (two simple numbers) - as well as that the workplace is classless - and beyond that (considering working conditions, etc.) the workers' interests are totally sovereign. But when you take a job like police officer, as one example of a job in the political/governmental sphere - society's interests are not just to "enforce the law" (which is far more complicated than to "produce 45 million widgets using this amount of inputs"), but to do so in a way that protects and respects everyone's rights and doesn't give too much discretion (i.e. power) to police officers to rule over us thus imposing further constraints on how they operate. But even this is a matter of degree. Thinking about airplane pilots or doctors reveals needs for similar types of socially determined guidelines and constraints as exist for governance, though unique to each case, including widget making.

At any rate, in a question his interviewer then asked, Chomsky is quoted as saying, “in a decent society, everyone would have the opportunity to find interesting work and each person would be permitted the fullest possible scope for his talents.” And then, as himself asking: "What more would be required in particular, extrinsic reward in the form of wealth and power,” to elicit such work? Chomsky answers his own query, nothing more, unless “we assume that applying one's talents in interesting and socially useful work is not rewarding in itself.”

This is where problems bearing on participatory economics start to surface. The above assertion is false for three reasons. The first has to do with the need to correlate work and consumption, including having information and indicators which permit sensible choices by all concerned. The second is that a central reason for remuneration is not only to provide incentives, but to have just outcomes regarding both production and consumption. And, finally, the third problem bears on the incentive issue itself, the only aspect that Chomsky directly spoke to. But someone saying he or she likes to work, as Chomsky feels all would say in a desirable society - with which we would agree - is not the same as that person saying work is the only thing he or she likes. And this obvious and seemingly nit picky distinction actually matters quite a lot.

First, by work we mean labor undertaken (a) within the economic institutions of society, and (b) to produce contributions to the social product which other people, not the producer or his or her family and friends, will enjoy.

Second, Chomsky is of course right that there are intrinsic reasons to do work for the social good including self expression and to benefit others. But what is missing is the obvious parallel truth that there are intrinsic reasons to want to have leisure too - and not just in order to rest, but also to play, to relate to family and friends, to do things that we like but that we are not good enough at to be making a contribution to society doing, and so on.

As a result, if we are free to individually choose the ratio of productive work in the economy we do and the leisure we enjoy while not working, and if making a choice for less work and more output has zero bearing on our claims on social output as a consumer, then we may well choose to work less than society needs, or than equity and justice warrant.

To explain his contrary view, Chomsky says, “there's a certain amount of work that just has to be done if we are to maintain [a worthy] standard of living. It's an open question how onerous that work has to be.”

That is certainly correct, though it is important to realize that what a “worthy standard of living from outputs of production is” depends precisely on an active choice by people as to their relative desire for more outputs, or for more free time. And it is also important to realize that quite a lot of that work, for a very long time to come, will have to be demanding, and often even boring and tedious, and sometimes dangerous. And that even more of it, however positive it may be to do, will not be intrinsically more rewarding than spending the same time, instead, pursuing hobbies, or personal relations, or playing, and so on.

When Chomsky adds, “let's recall that science and technology and intellect have not been devoted to ... overcoming the onerous and self-destructive character of the necessary work of society,” he is of course correct. When he adds that “the reason is that it has always been assumed that there is a substantial body of wage slaves who will do it simply because otherwise they'll starve,” he is again correct. And he is also correct when he says, “if human intelligence is turned to the question of how to make the necessary work of the society itself meaningful, we don't know what the answer will be.” All true, but it isn't going to happen in a week, month, or decade. And there will be limits, not least environmental, on how much onerous work can be replaced by more uplifting work. But, in any event, this raises another issue for a good economy which is that it must facilitate sensible and warranted attention to matters bearing on improving the quality of work life, as well as on the pleasure and potentials unleashed by the products of work life.

Chomsky continues, “My guess is that a fair amount of [work] can be made entirely tolerable.” I would agree, but I would also say that there is a large gap between “entirely tolerable,” on the one hand, and as engaging and interesting as what we typically choose to do with leisure time, on the other hand. And “fair amount” is, as well, far short of all.

Chomsky says, “It's a mistake to think that even back-breaking physical labor is necessarily onerous. Many people, myself included, do it for relaxation.” Sure, but does anyone really do back breaking physical labor day in and day out for relaxation? Not many, I would wager.

Chomsky goes on, “Recently, for example, I got it into my head to plant thirty-four trees in a meadow behind the house, on the State Conservation Commission, which means I had to dig thirty-four holes in the sand. You know, for me, and what I do with my time mostly, that's pretty hard work, but I have to admit I enjoyed it. I wouldn't have enjoyed it if I'd had work norms, if I'd had an overseer, and if I'd been ordered to do it at a certain moment, and so on.”

My guess is that he also wouldn't have enjoyed it if it was his job, day in and day out. Chomsky might have enjoyed it somewhat less, also, if it wasn't in his own backyard, and if, because he was working with a team, he had to abide a schedule. And, mainly, whether he enjoyed it or not, the amount of time he would give it - simply to have the pleasure of the involvement, could easily be way less than the amount needed, or the amount others might give

to it, etc. What if someone wanted to do back breaking labor once every twenty or thirty years, and the rest of the time he wanted to do highly empowered conceptual labor of a creative sort? Who then plants trees?"

When Chomsky says, "On the other hand, if it's a task taken on just out of interest, fine, that can be done," he means that it will be enjoyable, as it was for him. True enough. But the implication is that we can all just do what we find enjoyable and desire to do - and somehow what we choose on grounds of just our pleasure at work will match up, regarding output, with what people want to consume.

The questioner says, "I put it to you that there may be a danger that this view of things is a rather romantic delusion, entertained only by a small elite of people who happen, like elite professors, perhaps journalists, and so on, to be in the very privileged situation of being paid to do what anyway they like to do." I think this is a fair question - but it does miss additional points. What is just? What is needed to convey necessary information?

Chomsky answers, "that's why I began with a big 'If'. I said we first have to ask to what extent the necessary work of the society -- namely that work which is required to maintain the standard of living that we want -- needs to be onerous or undesirable. I think that the answer is: much less than it is today. But let's assume there is some extent to which it remains onerous. Well, in that case, the answer's quite simple: that work has to be equally shared among people capable of doing it."

Coal mining will remain onerous. So will many kinds of cleaning, among a great many other rote tasks - (and, in truth, for example, even the finest most creative chef on the planet is unlikely to want to cook other peoples' meals, people he doesn't know, for more hours than needed to justify his own level of consumption). Do we each do an equal share of coal mining, cleaning, cooking and every other onerous aspect of work? Of course not. So the point is that we would each, in Chomsky's formulation, share a fair amount of such onerous tasks along with our other more intrinsically fulfilling tasks, balancing our jobs for onerousness, and I would agree that equilibrating each person's job for quality of life implications would by definition eliminate the issue of unequal onerousness from economic calculus. In that case, paying attention to onerousness as a factor in determining income becomes irrelevant to just outcomes.

But equilibrating onerousness of work does not address the full issue of incentives, indicators, or fairness. Incentives means providing reason for people to work in a manner and for a duration that yields social output in accord with popular desires - where those desires are in turn also mediated by knowledge of the implications of the chosen output level for work. Indicators means providing information able to guide people in sensibly and responsibly deciding what to consume and what to produce, and also regarding where it makes sense to invest to improve work further, to generate new output, etc. And fairness means ensuring that the distribution of benefits and costs associated with economic life - both with production and consumption with what we do and what we receive - is fair, whatever we decide we mean by that term.

When Chomsky says, "as I watch people work, ... automobile mechanics for example, I think one often finds a good deal of pride in work. I think that that kind of pride in ... complicated work well done, because it takes thought and intelligence to do it, especially when one is also involved in management of the enterprise, determination of how the work will be organized, what it is for, what the purposes of the work are, what'll happen to it, and so on -- I

think all of this can be satisfying and rewarding activity which in fact requires skills, the kind of skills people will enjoy exercising.”

We agree that much of work, but far from all of it, has such attributes. But it is important to be clear that the fact that I am involved in determining what the purposes and composition and timing of the work I do are is not the same as saying I alone determine the purposes, composition, and timing. Instead, I'm part of a discussion on what I and other I work with do, but I might be on the losing end of a vote. Like a good citizen, I will still feel socially responsible to do the tasks, but my internal incentives are likely to be lower than if the decision had gone my way. In any event, even regarding more engaging and intrinsically rewarding work, people will also want to spend time with their kids, enjoying hobbies, celebrating, contemplating, or whatever.

Chomsky adds, talking only about the onerous work aspect, “suppose it turns out there is some residue of work which really no one wants to do, whatever that may be -- okay, then I say that the residue of work must be equally shared, and beyond that, people will be free to exercise their talents as they see fit.”

This is ill thought through. First, everyone will not want to do work that is tedious and boring if not doing it would have no known adverse effects on oneself and others. Second, suppose after we agree on equilibrating jobs for quality of life implications, that in the fulfilling part of my job I am free to use my talents as I see fit, as Chomsky suggests. Well, suppose you were once a fairly good tennis player - nothing to write home about, but you loved playing. So suppose you decided, okay, that's the talent you want to exercise, choosing as you see fit, in the hours left after you do your share of onerous work. The problem is, your playing tennis would contribute nothing valuable to society's social product. You are simply not good enough to be worth watching or taking lessons from.

Chomsky may say no one will opt to do something that is not socially valuable to others, but how does anyone know what is and what isn't? How does anyone know that their effort isn't up to snuff? Perhaps his answer would be that the tennis industry has to hire new players or teachers - and wouldn't hire you - but in that case, you are not free to exercise your talents as you see fit. You can only do that within certain norms and social relations that prevent useless endeavors, including preventing you being an incompetent tennis player, or an incompetent surgeon, and so on.

But what are these norms and relations which yield good economic outcomes, and which are also consistent with eliminating class division and with people exercising self managing say? These are the questions that one must address to give substance to the values of those favoring self management.

Pushed further by his questioner, Peter Jay, who doubted that the amount of tasks that would be deemed intrinsically negative would be low, Chomsky replied, “whatever it is, notice that we have two alternatives. One alternative is to have it equally shared, the other is to design social institutions so that some group of people will be simply compelled to do the work, on pain of starvation. Those are the two alternatives.”

That observation is false. Rather, one could also go a long way toward improving the quality of life effect of work - within ecological limits, time limits, allocation limits, etc. But then, one could refuse to compel a minority to do all that was left. And one could reject sharing it

all equally, as well. Instead, one could, as a third alternative, remunerate to offset the negative impact of the more onerous tasks.

Chomsky replies to the questioner raising roughly the same point, by saying, "I'm assuming everyone essentially gets equal remuneration." But then one wonders, why we should assume that - or even what the word "essentially" means? This is the core of the justice and incentives side of the issue. What if I am happy with less income - which means I am happy with less claim on social product - supposing that working fewer hours to get less income means that I can have more leisure? Am I free to take less income as a basis for working less hours? If I am not, can I just work fewer hours for the same income? The first option seems socially responsible. The second option does not, at least to us. The first is also economically viable. The second is not.

A basic anarchist principle is that wherever possible and when it doesn't conflict with the social good, we should enable people to pursue their own personal visions of the good life. Having a single income level and a single work-time-requirement for everyone is an instance of an unnecessary and coercive requirement. There is no social or economic reason why people should not be able to trade off income for leisure time or vice versa (while there is a social and economic reason why people should not be able to lower their work time without lowering their income, or raise their income without increasing their time working).

Chomsky said, "Let's imagine three kinds of society: one, the current one, in which the undesired work is given to wage-slaves. Let's imagine a second system in which the undesired work, after the best efforts to make it meaningful, is shared. And let's imagine a third system where the undesired work receives high extra pay, so that individuals voluntarily choose to do it. Well, it seems to me that either of the two latter systems is consistent with -- vaguely speaking -- anarchist principles. I would argue myself for the second rather than the third, but either of the two is quite remote from any present social organization or any tendency in contemporary social organization."

I am not sure why Chomsky would argue for the second rather than the third. Saying that everyone must get the same income seems to me, as noted above, to be more of a constraint on personal choice - and an unnecessary one - than does permitting or acknowledging some differences in quality of life implications in people's jobs but remunerating accordingly.

However, in any case, Chomsky's conclusion on this specific matter is unobjectionable. Both his options two and three do exist and each is compatible with classlessness and with self management, and also with anarchist fairness as Chomsky is outlining it in his interview. But even after that considerable agreement, we are still not getting to the issue of hours worked matching up with output desired, nor to the issue of indicators to inform intelligent decision making - that is, to providing the information Chomsky rightly spoke of earlier that people need if they are to engage responsibly in economic life, nor have we seriously broached the subject of consumption rights.

The questioner at this point asked, "It seems to me that there is a fundamental choice, however one disguises it, between whether you organize work for the satisfaction it gives to the people who do it, or whether you organize it on the basis of the value of what is produced for the people who are going to use or consume what is produced."

This polarized formulation misses that you can and must, if there is to be real self management, accomplish both these priorities at once - as in, considering both the impact on

workers and the impact on consumers in making decisions whether to produce and distribute items.

Still, the questioner continued: “And that a society that is organized on the basis of giving everybody the maximum opportunity to fulfill their hobbies, which is essentially the work-for-work's-sake view, finds its logical culmination in a monastery, where the kind of work which is done, namely prayer, is work for the self-enrichment of the worker and where nothing is produced which is of any use to anybody and you live either at a low standard of living, or you actually starve.”

This went too far - but the underlying point was real. What will connect work that is done purely because it is fulfilling to the level of outputs that are desired? What will connect needs and desires for outputs to needs and desires of workers producing those outputs?

Chomsky replies, “My feeling is that part of what makes work meaningful is that ... its products do have use. The work of the craftsman is in part meaningful to that craftsman because of the intelligence and skill that he puts into it, but also in part because the work is useful... The fact that the kind of work you do may lead to something else ... that's very important quite apart from the elegance and beauty of what you may achieve. And I think that covers every field of human endeavor.”

Of course the above is true - but it is also not addressing the issue raised, because even though the observation is true, the issues remain operative unless one wants to claim that the pleasure of doing self managed labor that contributes to social output is so great that everyone will automatically want to do more than an amount, in sum, consistent with what people want to consume, and unless one wants to claim that people will know appropriate amounts, also automatically.

Chomsky adds, “Furthermore, I think if we look at a good part of human history, we'll find that people to a substantial extent did get some degree of satisfaction -- often a lot of satisfaction -- from the productive and creative work that they were doing.”

Also true. But also not addressing the issue raised, unless one wants to claim as above.

Chomsky says, “I think work freely undertaken can be useful, meaningful work done well.” Of course it can. But it can also produce stuff that no one wants, or that is too much of a good thing, or that is too little. It can be fun to do, but not of sufficient quality to be contributing. How does one know? And more, just because it can be meaningful and well done - especially if we create institutions that ensure that - this still doesn't mean we all, or perhaps even any of us, automatically want to do as much of it as our desires for outputs requires.

Chomsky says, “Also, you pose a dilemma that many people pose, between desire for satisfaction in work and a desire to create things of value to the community. But it's not so obvious that there is any dilemma, any contradiction.” If we police ourselves - which means if we have information that permits us to police ourselves - perhaps Chomsky is right. But in the absence of that information, why can't you play tennis, or be a surgeon, as your work, even if you are not very good at those pursuits?

Chomsky emphasized a particular point about work having intrinsic rewards - and regarding that point, at least among anarchists and serious leftists of all types, I believe he is pushing on an open door. He said, “Recall that a person has an occupation, and it seems to me that most of the



occupations that exist -- especially the ones that involve what are called services, that is, relations to human beings -- have an intrinsic satisfaction and rewards associated with them, namely in the dealings with the human beings that are involved. That's true of teaching, and it's true of ice cream vending. I agree that ice cream vending doesn't require the commitment or intelligence that teaching does, and maybe for that reason it will be a less desired occupation. But if so, it will have to be shared."

So what we have now emerging is a list of less desired tasks - and those will have to be shared, as people also do desired things they want to do, intrinsically to fulfill themselves for enough duration to fill out a responsible job. Or course we also need some way to ensure that people aren't doing things they want to do, but are not good enough at to produce a worthwhile output.

Here is the crux of it, though. Chomsky says, "what I'm saying is that our characteristic assumption that pleasure in work, pride in work, is either unrelated to or negatively related to the value of the output is related to a particular stage of social history, namely capitalism, in which human beings are tools of production. It is by no means necessarily true. For example, if you look at the many interviews with workers on assembly lines, for example, that have been done by industrial psychologists, you find that one of the things they complain about over and over again is the fact that their work simply can't be done well; the fact that the assembly line goes through so fast that they can't do their work properly."

That producing vehicles in a self managed workplace will be vastly better than in a capitalist one is true. That one will not want to do it to the complete exclusion of leisure, however, is also true. And the idea that all work, because it benefits society, and because it is self managed, will be intrinsically fulfilling to the same degree as all other work, is obviously false. So such differences may matter. And duration will certainly matter.

Then Chomsky says something quite important, in my view, and a bit different. "But let's imagine still that at some level it does harm. Well, okay, at that point, the society, the community, has to decide how to make compromises. Each individual is both a producer and a consumer, after all, and that means that each individual has to join in these socially determined compromises -- if in fact there are compromises."

Exactly. But this means that there must be institutions that facilitate such decisions, and that we have to have some kind of norms, as well, to know what is fair, what is just, and what, as well, is consistent with preserving classlessness, in our future economy.

Chomsky of course knows all this, and so said, "it seems to me that anarchist, or, for that matter, left-Marxist structures, based on systems of workers' councils and federations, provide exactly the set of levels of decision-making at which decisions can be made about a national plan. Similarly, state socialist societies also provide a level of decision-making -- let's say the nation -- in which national plans can be produced. There's no difference in that respect. The difference has to do with participation in those decisions and control over those decisions."

In the case of central planning and authoritarian states - the decisions are top down. In the anarchist alternative, they are self managing - which, I think, if it means anything coherent - means that we strive to have people involved in them to the extent they are affected by them. But then we need institutions and associated information flow that permits, facilitates, and even makes that the inevitable case.

As Chomsky said, “In the view of anarchists and left-Marxists ... those decisions are made by the informed working class through their assemblies and their direct representatives, who live among them and work among them.”

Fine, this is unobjectionable, but it leaves the question, how is it that the workers - and as mentioned earlier, also the consumers - are informed? From where do they get the information essential to the decisions? And, as well, by what methods do they tally their preferences into decisions that all then abide by?

This is not asking for a blueprint, it is asking for a minimal structural description that can give real substance, and believability, to the possibility of self management.

Chomsky continued, “certainly in any complex industrial society there should be a group of technicians whose task it is to produce plans, and to lay out the consequences of decisions, to explain to the people who have to make the decisions that if you decide this, you're likely to get this consequence, because that's what your programming model shows, and so on. But the point is that those planning systems are themselves industries, and they will have their workers' councils and they will be part of the whole council system, and the distinction is that these planning systems do not make decisions. They produce plans in exactly the same way that automakers produce autos. The plans are then available for the workers' councils and council assemblies, in the same way that autos are available to ride in.”

This too raises important questions. What keeps these planners, and other experts, from dominating outcomes? It is one thing to provide expertise in assembling information. It is another thing to have power over outcomes. How do we get the former but without having the latter? Likewise, on what basis do workers determine what to favor? Where is the opinion and influence of consumers in this process? Why does anyone abide by emergent plans - where abiding would of course entail working specific numbers of hours and at times and in ways one may not optimally prefer?

There is a very real sense in which the economic vision called participatory economics, or parecon, that we earlier summarized in this chapter, was conceived precisely to answer all the questions raised above. The interview with the young Chomsky was in 1976, and the conception and formulation of parecon began in earnest not long thereafter. How do we give legs to an anarchist or libertarian and certainly classless and self managing vision for economy? The answers that emerged from that concern bear directly upon all the points raised above, and some very important additional ones.

First, parecon, moved by the call for self management, to reiterate, settled on workers and consumers councils as the venues of decision making power. This is where people get together, air views, discuss options, manifest preferences, settle on decisions. This was also just borrowing from past practice. The norm guiding the councils, in parecon, however, was conceived as to conduct discussions, debates and explorations, and then tally preferences, all such as to convey to each actor say in decision-making in proportion as they are affected - at least to the extent possible and without being overly anal about it. This refined past practice, somewhat.

Second, there arose a concern about the distribution of tasks - work - among all those able to do work. How should tasks be combined into jobs? While the issue of more or less onerous, or more or less fulfilling tasks arose, in accord with Chomsky's observation of the need for workers to be prepared to participate in and make decisions, we realized that some kinds of work are

empowering for those doing it - and other kinds are disempowering for those doing it. The empowering tasks produce not only goods and services, but in the workers involved: increasing confidence, advancing skills, evolving socially enriched connections, steadily growing awareness of critical information, and steadily enhanced experience of daily decision making. The disempowering tasks produce not only goods and services, but in the workers involved: declining confidence, diminishing skills, fragmentation, declining awareness of critical information, and enforced divorce from daily decision making.

Combining overwhelming empowering tasks into roughly 20% of all jobs, and combining overwhelmingly disempowering tasks into roughly 80% of all jobs, guarantees that the 20% who are empowered, who we called the coordinator class, will rule over the 80% who are disempowered, the working class.

Thus we saw the need to replace that corporate division of labor with a new approach, which we called balanced job complexes. The idea is trivially simple: balance the jobs people do for empowerment effect. We all do a job with a mix of tasks and responsibilities which, on average, over time, has the same empowerment impact as each other job in the economy. Of course balancing for empowerment also largely balances for onerousness and intrinsic desirability of jobs, too, but not entirely. And to our thinking this empowerment balance was by far the more important step to take to avoid class division and all the ugly derivative effects it entails. Slight differences in onerousness could easily be addressed by differential income allotments to offset the debits thereby incurred, as per the suggestion from Chomsky, above.

So what about remuneration and consumption? Well, here comes a key point of disagreement with the formulations in Chomsky's interview. The first problem to address is the need for fairness. The second problem is the need for people to have incentives to do that which they should do but would, assessing only their own condition, prefer not to do. The third problem is the need to have signals that communicate needed information for wise and ethically sound decision making about what to produce and consume. The fourth problem is the need to correlate the population's desires for social product to the population's desires for work and to also enjoy leisure.

A frequent anarchist answer is, okay, let's have work from each able bodied person in accord with their abilities, and let's have consumption by each person in accord with their needs. The trouble is, no one who says this literally means it. That is, no one means that they favor that each person decides, independently of all other people, and consulting only their own preferences, how much to take from the social product for their own consumption, and how long to work and what to work at. Taken literally, the from each to each norm is remarkably anti social, so it is not intended literally.

If I have only my own tastes to consult, I will want a whole lot of stuff. Why not take it, assuming there is no injustice involved, and no loss to others. And I will also only want to work up to the point at which the pleasures of working are outweighed by the pleasures to be had from leisure. In other words, I will want too much - actually, way too much. And, despite Chomsky's correct insights into the intrinsic values of work, I will also very likely want to work far fewer hours than would be required to fulfill everyone expressing consumption needs like mine. So, there is a problem - the mesh between work and consumption - not to mention taking into account the full social and environmental costs of both production and consumption.

The anarchist task is to solve these matters without defaming or degrading work or leisure, without violating self management, and without imposing class division. It can be done, I believe, by combining the self managed network of councils and balanced job complexes with two additional structures - remuneration for duration, intensity, and onerousness of the socially valued work we do, called equitable remuneration, and cooperative negotiation of production and consumption by those same councils using procedures that account for full social costs and benefits and that convey to each actor a self managing say, via an allocation methodology called participatory planning.

The remunerative scheme is fair. If we all do socially valued labor - which, in time, has had the onerous components minimized, but even until then - and we all do it for the same duration, and all working equally hard, and all having an equal share of fulfilling and onerous tasks - then we should all earn an average income. You can get more income, however, by working longer, harder, or at more onerous tasks, all in agreement with your workmates, and all in a socially productive manner. Alternatively, you might value leisure more and might opt for less consumption and thus also for less hours spent at socially valued labor. Both choices are fair, in the parecon view. And the system is not only fair, but also provides precisely the incentives needed to coordinate work with desires for the output of work, as well as providing precisely the information needed for people to sensibly determine investment patterns, volumes of production, etc.

The participatory planning allocation procedures are also desirable. They are consistent with self management, classlessness, and equity. They elevate human need and well being - both in work and in leisure - to the guide for economic decisions. They make it part and parcel of personal fulfillment for people to take into account all social and environmental effects.

Finally, we have here addressed the young Chomsky's interview for two reasons. One, we wanted to bring it to light for people who have likely never seen it. Two, we wanted to demonstrate that while the motives and values guiding Chomsky's formulations are in tune with all our finest aspirations, a few of the extrapolations to judgements about institutions are not. And three, we wanted to make a case that participatory economics is in tune with anarchist aspirations, but also accurately addresses the actual complexities of economic life.

Our hope is that the next discussion with an anarchist who has doubts about parecon akin to those that arise from the young Chomsky's views, might go something like this:

Anarchist: Liking much about parecon, there is a still a key point that worries me. How do pareconists see work?

Pareconist: By work pareconists mean activity undertaken in the economy to produce goods or services that others, not the person doing the work, will enjoy.

Anarchist: But in a parecon this is self managed, yes?

Pareconist: Exactly.

Anarchist: So isn't work, in that case, one of the cornerstone ways a person expresses and fulfills him or herself?

Pareconist: Yes, as long as it is self managed, without class rule, and without impositions perverting it, of course.

Anarchist: Then why give an income for doing self managed socially valued labor? Doesn't remunerating work assume that without pay, people would rather vegetate than work? Why not get from each according to ability, and give to each according to need?

Pareconist: For one thing, while work that is freely undertaken to create worthy outputs is indeed part of a fulfilling life, nonetheless certain aspects of work are boring or burdensome, causing us to want to do less. But, more, so is taking care of kids part of a fulfilling life, or resting, playing games, reading, going to a concert or movie, taking a walk, or seeing something new. Other activity that is not about producing something which others benefit from via the economic allocation system is also fulfilling, so we each have a trade off, if you will, between work for the social output, and leisure that we put to other desirable ends, not vegetating.

Anarchist: Why can't we each decide how much leisure and work we want? Why do you assume that we will work too little, or consume too much?

Pareconist: We should each decide, I agree, but not in isolation from the implications for people who produce what we consume, or who consume what we produce, and for the environment, as well. The implication of opting for less work and more leisure, is generating less social output.

Anarchist: So, if I want to work less, I should take correspondingly less, and I will.

Pareconist: But how do you know how much it is just and fair to take, or to work? The assumption of your norm, "from each to each," is that people will be responsible. There will be many more things you would like to have than you will take, but you will responsibly restrain yourself. There will be times you would rather not work, but you will anyhow, to be responsible. Let's just assume, which most would doubt, that all people will automatically want to act thusly. The question nonetheless arises, how will such people be responsible? According to what shared value system? With what indicators to guide their choices?

Anarchist: So you need remuneration for duration, intensity, and onerousness to get fair results - not mainly as an incentive?

Pareconist: Yes, but there is another issue, too. By having income as we do in parecon, the allocation system is not only able to be fair, but is also able to unearth desires for leisure versus desires for output, as well as for different types of work that people prefer or dislike, as well as revealing the relative desires for and costs of different types of production, so that we can alter current plans and investments accordingly. People restraining themselves is actually not so helpful. It is better for an economy if people reveal their actual true and full desires, since this can usefully inform investment choices regarding where to aim in the future, even if for now people will wind up having to settle for less.

Anarchist: I still feel like I would rather not besmirch what labor is, and what we think are people's motives, by offering rewards.

Pareconist: I don't see why fair allocation, with self management so that work's character and average duration is mutually agreed, is besmirching it, but since you do feel that way, perhaps another observation might bridge our gap.

Say we establish a parecon. If I am right, it would be disastrous to have no remunerative norm other than that people work and take whatever they independently choose to do and to

have. So, as a caution, to avoid risk of destructive outcomes, how about if we start with parecon's norm.

Then, however, over time, as people become more and more social, we experiment with having additional free goods and with more lenient accountings of duration, intensity, and onerousness in various workplaces or industries. And we see what happens. If you are correct, outcomes won't change, or will even improve. In that case, we continue the experiments. If I am right, outcomes will get seriously messed up, for want of guiding indicators, and many problems will arise. If that happens, we slow or stop the experiments. By this approach, we minimize risks of calamity but we also preserve and explore possibilities to further refine the income norm.

### **Class and Participatory Economics**

*"We are all agreed that your theory is crazy. The question which divides us is whether it is crazy enough to have a chance of being correct." - Niels Bohr*

The title of this essay is "Beyond Class Rule is Parecon." Okay then, does participatory economics in fact get beyond class rule, and if so, what features are critical to that accomplishment?

To get rid of an owning class above all others - the only recourse is to not have individuals, or even groups, own productive assets, meaning workplaces, resources, equipment and so on. This has been known since there have been anti capitalists, and at no time has anyone remotely made a case it isn't true. It is basically a kind of truism. If owning a workplace is allowed and conveys to the owner control over it and a claim on its revenues - after paying costs - we are doomed to the owning class being a ruling class above workers and even those I have called coordinators. It isn't that the later have no recourse, no power - it is that the former, insofar as the system persists, are, within the system, dominant. Coordinator class members can use their relative monopoly on empowering work and, derivatively, information and skills, to attract high, and sometimes extremely high incomes. They can also bargain for outcomes, therefore seriously influencing decisions even beyond those they in fact make by virtue of their positions. Workers can withhold their labor or otherwise act in concert to try to attain at least living and even bearable incomes, and to try to ward off the most egregious violations of dignity, etc. But, unless the hold on property by a few is eliminated, there will be a ruling class of property owners.

So what does parecon do about owning productive property? Really, the issue isn't "owning" since the word doesn't mean much without being filled out with its rights and privileges. Suppose you own General Motors or Microsoft - the whole thing, either or both. However, also suppose ownership conveys no rights whatsoever. You get no income by virtue of it. You get no decision making say by virtue of it. You get nothing by virtue of it. Then there is no owning, ruling, class - and so this makes clear what must be done, and what is done, in parecon. It isn't just that no one has a deed that says I own such and such resources, or productive tools, or workplaces, etc. It is that no one has any claim over any such property for any reason at all, other than that which derives from the parecon norm for income and for decision making influence.

You could think of it as everyone owns an equal share of everything productive, and it conveys nothing - or as society as a whole owns all of it - and, again, that ownership conveys nothing. It doesn't really matter which view of it you have. Parecon eliminates an owning class by eliminating the roles and requisites of ownership of productive property.

Okay, but what about the coordinator class that exists, inside a capitalist economy, between labor and capital and that is defined by its relative monopoly on empowering work that in turn conveys to it skills, information, confidence, and even energy essential to decision making, while other workers doing disempowering tasks are, in contrast, relatively de-skilled, dis-informed, and made passive and exhausted by their activities, all interfering with their being able to or even wanting to participate in decision making. This too creates class division, and in the absence of an owning class, a new class rule, now of coordinators over workers - as we have seen in what has been called twentieth century socialism.

Does parecon retain this class hierarchy? Is parecon just a familiar kind of coordinator ruled economy? Or is it truly classless?

The claim is it is classless. The claim is that in the combination of workers and consumers self managed councils, remuneration for duration, intensity, and onerousness of socially valued labor, balanced job complexes, and participatory planning, there is simply no locus of creation of class difference, much less class rule. These institutions do not treat one sector/class differently than another sector/class such that they have opposed interests and one advances from the decline of the other, much less such that one rules the economy above the other.

The first step in checking this claim is to ask, is there an owning class - and a class that doesn't own. If so the claim will be false. As noted above, parecon passes this first test.

The second step is to ask is there a coordinator class above a working class - the one empowered and high stepping, the other disempowered and low slung?

What we can say is this. The most direct cause of existence of this division is eliminated entirely, root and branch, by incorporating balanced job complexes. This gives each participant comparably empowering circumstances. The next most direct avenue to even this type division - simply affording to one group dominance over another which they then parlay into all kinds of advantages - is eliminated by adopting self managed decision making and equitable remuneration. And finally, most subtly, the only known indirect source of this division, the presence of an institution chosen for entirely other reasons (simply to distribute labor goods and services) that by its logic and role implications subverts self management and equitable remuneration and even enforces for success the reinstatement of a coordinator/worker division of labor, is also eliminated (in both its market and central planning variants) by adopting participatory planning.

Can we say there is no other danger we have missed. No - not definitively. But we can say, if there is, and if anyone can find it, then a good economy must take that into account and deal with it, and parecon advocates would certainly move to do so.

We have posed the above very simply, some will say too simply - but in fact we do not think it is oversimplified at all. Of course as with anything, one can explore much much further into the details, but the essence is as stated.

We want classlessness because with classes, and class rule, our values will be violated. To get classlessness we simply must reject private ownership of productive property and the corporate division of labor. If we reject those, but retain markets or central planning, they will overthrow our intentions and reimpose the old structures - certainly the division of labor, and over time, at least with a significant probability (see Soviet and Yugoslav history) private

ownership as well. Thus, we must adopt, on top of our other commitments, participatory planning.

That is the logic, and the claims, of participatory economics.