

Blueprints for the Future

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Designing Socialism is a complete reprint, as an e-book, of the special April 2012 issue of the American academic Marxist journal *Science & Society*. It continues that publication's tradition of providing, as stated by its usual editor David Laibman, "a major worldwide pulse-taking of the state of play in *theoretical socialism*" every April of the years ending in "2" in every decade (Campbell, ed., 7). Much like the April 2002 issue—to which Campbell contributed an essay—it is primarily concerned with justifying specific visions of democratic economic planning in a post-capitalist society. (No attention is given to what the details of a socialist *polity* might be, though some of this volume's authors have taken up this question elsewhere.¹) In fact, some of the book's contributors—Paul Cockshott and Allin Cottrell, Pat Devine, Robin Hahnel, and Laibman himself—are largely saying here what they have said before, at length and in other books and articles, albeit with more emphasis on "why" than "how" this time around. On the other hand, *Of the People, By the People* is Hahnel's latest explanation of the "how" of his vision of a socialist economy ("participatory economics" or "Parecon"), which he provides in a far more clear and succinct way than in previous books on the subject.²

Aside from two relevant book reviews which will not be discussed here,³ *Designing Socialism* consists of the aforementioned authors—as well as Chinese academics Xiaoquin Ding, Peihua Mao, and Xing Yin, and also the popular Chilean socialist writer Marta Harnecker—giving thorough answers to five questions: 1) why socialism? (the ultimate rationale), 2) feasibility and coordination (how would it work?), 3) incentives and consciousness, 4) stages and productive forces, and 5) social and long-term planning (13).

The authors' answers to the first question are generally not that different from each other; most are clear that the point of the socialist project is, as Devine says, "to enable the full development of human potentialities" (23). Only the contributions of Ding, Mao, Yin, and Hahnel particularly stand out in a negative fashion: The Chinese writers claim that "rules about socialism ... [were] embodied in the practice of the socialist countries" (29)—the "socialist countries" being those under official Communism; they also argue that "the socialist system provides higher labor productivity ... than capitalism" (29), which would be true (in a genuine socialism) but misses the key point that such productivity has no innately socialist content if labor remains alienated, as it did in the "socialist countries." Hahnel, for his part, says many unobjectionable things, but also argues that "the dictatorship of the proletariat, the vanguard political party, [and] democratic centralism ... have no place in a socialism worthy of the twenty-first century" (30). He doesn't consider that perhaps these concepts were greatly *distorted* over the course of the twentieth century and that it might be worthwhile for socialists today to embrace their *original* meanings, even if we choose to use different language.⁴ He also claims that

Too many twentieth-century socialists failed to take racial and gender issues as seriously as class issues and often urged minorities, women, and gays to subordinate their agendas in order to avoid dividing the working class and thereby diverting it from its historic mission. Just as totalitarian tendencies stemmed from failing to take democracy seriously, relegating national liberation, racial, and gender struggles to a secondary status stemmed from anointing the economic sphere of social life with a status above the cultural, kinship, and political spheres of social life, even when this was not warranted (31).

While Hahnel has a point regarding socialists' general lack of interest in gay liberation until, at the earliest, the late 1960s, there is little reason to offer apologies regarding the other issues. Most

American socialists, at any rate, have been overtly committed to Black and Latino liberation in the United States since at least the 1920s, whatever their theoretical differences. While socialist theory and practice concerning the particular burdens that working-class women endure might have been inadequate before the 1970s, socialist history vis-a-vis this subject is still more than honorable in comparison with our bourgeois political counterparts (Maoist verbal attacks on socialist-feminist conferences notwithstanding). Hahnel shouldn't write as if August Bebel, Clara Zetkin, and Alexandra Kollontai, to name but three classical Marxists who addressed "the woman question," had never existed. Additionally, most socialists—not to be confused with opportunistic official Communists with state power—have been unwavering supporters of national liberation struggles at least since Lenin wrote *Imperialism, the Highest Stage of Capitalism*. If anything, many have been too uncritically supportive of the parties leading such struggles and are perennially let down by the anti-worker authoritarianism of those parties once in power, in cases from Algeria to Vietnam; but at no point did we demote such struggles to a secondary status. And are we not well beyond the point where anyone can confidently say that "minorities, women, and gays" each have a monolithic "agenda"?

Hahnel also states that "too many twentieth-century socialists were about exerting human mastery over nature" without explaining why this is necessarily in conflict with "environmental sustainability" (31). David Laibman explains that the two are not in conflict; while "we must progressively extend our mastery over nature (our finite global home)," we must also "take increasing responsibility for sustainable existence on Earth, including that of all other creatures with whom we share that space" (37).

The second and fifth questions listed above allow Devine, Hahnel, Laibman, and Cockshott and Cottrell to efficiently summarize their ideas of how a socialist economy might work. Harnecker limits herself to discussing general principles, though she seems to embrace Devine's vision of participatory planning "in which market forces are replaced by the *ex ante* coordination of major interdependent investment through negotiation, but market exchange is retained for all other economic transactions."⁵ Hahnel, himself criticized by Devine for believing it possible to centralize all relevant knowledge about people's needs and how to use society's productive resources efficiently to meet those needs, and for modeling "a series of *ex ante* iterations" through the computerized equivalent of a Walrasian auctioneer (42-43), argues that Devine provides no mechanism for incorporating environmental costs into "socialist prices" (52), despite Devine's obvious sensitivity to ecological matters and vision of socialism as a "steady state economy" (114). Hahnel seems unaware that Michael Löwy has criticized Hahnel's own blueprint for participatory economics on much the same grounds.⁶ He also maintains that any form of market exchange is necessarily "an adversarial relationship where taking advantage is rewarded and solidarity is punished" (121), even if the socialized enterprises involved are not supposed to try to put each other out of business. This is in keeping with Hahnel's primarily *moral* condemnation of markets (and capitalism), that is, his denunciation of their being driven by "fear" and "greed" (47), as opposed to the more Marxist approach taken by other contributors who oppose the dominance of market forces because they necessarily act as an autonomous power independent of the will of the producers.

Unfortunately neither Devine nor Hahnel, nor any of the other writers, directly address Marx's understanding of the prerequisites for a mode of production in which wealth is calculated in monetary terms, that is, prices. Most of the contributors to *Designing Socialism* are concerned with how to properly calculate "socialist prices." But Marx was quite clear in both *Capital* and *Critique of the Gotha Program* that in socialist society there are no longer any sort of monetary prices because *value* no longer exists. If most products are priced, then by definition there is value, which, according to Marx, requires workers to be worked at similar rates; that is, *abstract labor*—the homogenization of labor power—is mandatory, which directly cuts across Devine's and Hahnel's

explicit desires for workers' self-management and the overcoming of the social division of labor. Only Cockshott and Cottrell's proposal embraces Marx's alternative to a price mechanism: computation of the socially necessary labor-time embodied in each product, with remuneration via labor-tokens such that one hour of actual labor is exchanged for products produced in the same amount of time. Such tokens are canceled once used; they can't be hoarded or used to bribe public officials, as the "socialist money" imagined by other authors might be. Hahnel attacks Cockshott and Cottrell's "misguided devotion to Marx's labor theory of value," as "pricing all goods and services according to the amount of labor embodied in their production both directly and indirectly ... fails to account for the opportunity costs of using scarce natural resources and limited capacities for disposing of wastes" (47). The labor-time proposal—and the planning process connected to it—may indeed have flaws.⁷ But nowhere in *Designing Socialism* does Hahnel prove that his pricing procedure, or for that matter that any type of "democratic" or "participatory" price determination, is *guaranteed* to ensure ecological sanity. It will require *politics*, as Löwy points out, "to take into account global, socio-political, and socio-ecological interests of the population—the interests of individuals, as citizens and as human beings, which cannot be reduced to their economic interests as producers and consumers."⁸

One particularly disconcerting aspect of *Designing Socialism* is that virtually all of its authors assert that Marx's proposed distributional principle for the initial stage of communism is "from each according to their ability, to each according to their work"—with "work" usually interpreted as "productivity." In fact, Marx argues for remuneration to be based on the individual labor time of the individual producer, with every hour of actual labor to be exchanged for goods or services produced in the same amount of time, though "the output of *energy* in a given unit of time" could be taken into account, in a manner somewhat similar to Hahnel's formula of "to each according to their effort and sacrifice."⁹ Laibman appears to believe that, for Marx, in the lower stage of communism "distribution of goods continues to take the classical form of commodity ownership effectuated by means of money and money prices"; he even goes so far as to claim that any attempt to "'abolish' the law of value as such" will be as pointless as trying to "'abolish' the law of gravity" (89), as if the former law weren't of human creation! He further argues that "the experience of twentieth-century socialism is filled with examples of *excessive* equalization of incomes, in the given technical and cultural conditions" (75); this, unfortunately, echoes Stalin, who also argued against "calls for equalization" under socialism.¹⁰

This isn't to say Laibman's conception of what he calls Multilevel Democratic Iterative Coordination, in which a "core" democratic planning system (without "spontaneous" price competition) is "surrounded" by a subordinate "market sector ... in agriculture, personal services, arts, and crafts" (92) is necessarily wrong; as classes continue to exist after the dismantling of the capitalist state and until all petty proprietors (traditional small capitalists as well as the owners of intellectual property) are absorbed into the working class, a partial retention of money and markets is inevitable. But—without wishing to be pedantic—such a state of affairs is not precisely socialism, that is, communism, as Marx and Engels used those terms. It's *between* capitalism and socialism: the dictatorship of the proletariat, meaning a significant period of working-class rule with a subsisting petty bourgeoisie. While Laibman, like most of the other authors (Hahnel excepted), is right to insist on a "stadial" conception of progress toward socialism, his vision of the march toward the classless society might not be quite "stadial" enough. Hahnel is right that questions of the level of economic productivity are no longer relevant and therefore the way we conceive of the "stages of socialism" should be rethought, but conceptualizing stages in regard to the degree of genuine *classlessness* in post-capitalist society remains necessary, as all petty proprietors won't be *immediately* absorbed into the working class. There's no way to speed up a *gradual* absorption occurring as the skills that the "middle class" monopolizes become devalorized when all workers acquire them.

Despite all of this, Hahnel's own recent book is an excellent, brisk read. While the details of the Parecon vision are most likely familiar to many leftist readers by now,¹¹ some of its components are better defended and/or expanded upon this time around. Despite his unfortunate use of the mainstream social-science term "human capital" (and, later, "natural and produced capital"—a use of the word "capital" that makes clear his distance from Marxist conceptions), Hahnel makes a fairly convincing defense of the distributive maxim "to each according to her effort or personal sacrifice." Answering critics of the idea that "people's efforts [should be] rated by their co-workers, and people [should be] awarded consumption rights according to those effort ratings" (Hahnel, 61), he claims that it is unlikely that "one's co-workers [will] reward clumsy, bungling, or misdirected effort rather than proficient effort," as "every effort rating committee is constrained by a fixed average effort rating for all workers in their [workers'] council. Therefore, rewarding inefficient effort on the part of a co-worker is just as detrimental to the interests of other workers in the council as it would be if they deliberately overstated a worker's effort" (65). Hahnel also makes clear that the traditional "second stage of communism" maxim, "to each according to need," can immediately apply to more than just education, medical care, and access to recreational goods when "each neighborhood consumption council decide[s] for itself how to take any differences in the needs of its members into account when approving consumption requests" (73), though he doesn't seem to share the Marxist belief in the possibility of a communist society marked by a (relative) abundance of goods which would need no prices.

However, as is well known, Hahnel does share the Marxist desire to overcome the division between mental labor and manual labor. Hence his call for "balanced jobs" in which different "tasks are combined in such proportions that the resulting job complexes of all workers are equally desirable or undesirable, equally empowering or routine," as explained by Devine.¹² He stresses that this would not eliminate specialization, as "jobs do not have to be balanced every hour, or every day, or every week, or even every month. The balancing is also done in the context of what is practical in particular work situations." Furthermore "the balancing is done by committees composed of workers in each work place, and done as they see fit. Jobs are not balanced by an external bureaucracy and imposed on workers" (56-57). While this makes balanced job complexes sound more credible than they did in previous writings by Hahnel (and Michael Albert), greater clarity on the average time frame of "balancing" would have been appreciated.

In regards to the issue of ecological sustainability, Hahnel stresses that his proposed planning procedure incorporates "current estimates of the damage caused by emissions of different pollutants" (91), which make it "easy to calculate the social cost of consumption requests [from consumer councils and federations]" (93). But even if Hahnel's version of participatory planning, in theory, accommodates externalities more efficiently than a market economy, it is not entirely convincing to simply say that "major changes in the energy, transportation, and housing sectors, as well as conversions from polluting to 'green' technologies and products, are all determined by the long-run planning process" (130) as this planning process has no intrinsic connections to *political* decisions made by a legislature or through referenda. As in previous books discussing Parecon, *Of the People* lacks any discussion of "political institutions or processes through which citizens discuss the values on which they want their society to be based, the universal rights and responsibilities of citizens, the choices of social priorities that have to be made."¹³ Hence, it replicates the classical liberal illusion that the polity and the economy are separate spheres. Indeed, one is left with the impression that Hahnel wants to replace the "self-regulating market" with a sort of "self-regulating planning" that, in Laibman's words, runs "very much as an automatic mechanism, independent of human will and democracy, which operates only at the microlevel of the [worker and consumer] collectives. It thus bears an uneasy resemblance to the very competitive market equilibrium that it proposes to replace."¹⁴ Given the need to promote a vision of socialism that overcomes capitalist society's separation of "politics" and "economics"—to show that socialism is a new type of *society*

and not solely a new type of *economy*—this is a serious failing.

Finally, though Hahnel has far more to say about desirable mechanisms for investment and development planning in *Of the People* than in his previous books, his insistence on pre-ordering all consumption remains problematic. He states that his proposal merely requires “consumers spending a couple of hours of their time going over their consumption from the previous year and making adjustments up and down where they think they will want to. That is less time than it takes the average person to prepare her tax returns every year” (85). But an air of unreality still surrounds this idea. Laibman is right: “There is no way for ‘Hey, let’s order in Thai tonight’ to be brought within a neighborhood consumer council’s consumption proposal! The variation that results from day-to-day consumer choice over privately consumed goods can be accommodated within a system of democratic planning, without a cumbersome system of pre-ordering, especially given the smoothing effect of the law of large numbers and the presence of buffer stocks.”¹⁵

Despite these flaws, Hahnel’s book far outshines the contributions of Ding, Mao, and Yin to *Designing Socialism*. These essays are, frankly, entirely worthless, typical examples of the usage of “Marxist-Leninist” jargon to justify an anti-worker practice. The idea of a “socialist market economy” is repeatedly invoked as if it were wholly unproblematic. The Communist Party of China is said to be “the vanguard of the proletariat” (Campbell, ed., 64), despite the fact that in 2001 former President Jiang Zemin essentially declared that the interests of different classes in China do not clash and that the party can amicably represent all classes simultaneously. The Chinese authors take as given that China is at “the initial stage of socialism” (65), regardless of abundant evidence to the contrary; they write, “We must encourage, guide, and supervise the development of privately owned enterprises in the current economy because Chinese socialism [sic] has not experienced the stage of full capitalist development” (64-65), a contradictory sentence if there ever was one. The Chinese regime’s promotion of private enterprise and market forces (and alienated and abstract labor, though of course the Chinese authors don’t admit this, if they are even familiar with such notions) is justified by the fanciful claim that China’s “socialist initial stage in this case is an underdeveloped socialist stage—the *lower stage of the lower stage of communism*” (101). Ding, Mao, and Yin, of course, neglect to mention that post-Maoist China’s “glorious achievements” include top party officials amassing billion-dollar fortunes, far in excess of even top United States public officials. That numerous private corporation-based billionaires have emerged in China also goes unmentioned, hence we do not get to know whether or not their existence, in the authors’ view, is compatible with “the lower stage of the lower stage of communism.” Also unmentioned is the fact that even if the Chinese Communist Party was sincere in its pronouncements about building “socialism with Chinese characteristics,” this would still merely prove that the current Chinese Communists, like Mao Zedong before them, are firm believers in the theory of “socialism in one country” with no intention of initiating global working-class revolution, let alone establishing workers’ democracy within China itself. (And unfortunately there’s no discussion inside this book on whether or not a classless society is achievable within one country alone; in previous writings, Albert and Hahnel seem to suggest that it is.) One genuinely wonders why the editors of this volume included Ding, Mao, and Yin, given the utter vacuity of their pieces and considering how their views contradict the editors’ blatant opposition to so-called market socialism with, as Laibman writes, its “signature illusion” that “the market’s functionality can be separated from its alienating and derationalizing qualities” (39).

One has to conclude that despite some interesting inter-author criticism—particularly of Devine, and Cockshott and Cottrell, by Hahnel—*Designing Socialism* is ultimately a disappointment. Only in the discussion of what might constitute “socialist prices” does it offer anything distinctive—and again, even then the implication of Marx’s theory of value for the very possibility of such prices is barely addressed. It does not live up to the *Science & Society* issue of April 2002 which it thematically follows and which is still far more worthy of a hardcover, softcover, or e-book treatment. Those

seeking fairly detailed answers to the question of how a socialist economy might work are advised to seek out that edition. Hahnel's *Of the People* is also worth reading if only because it provides the clearest explanation of "participatory economics" available, which socialists should examine and evaluate for themselves. Book-length treatments of some of the other visions also can be easily found.¹⁶ And none of them, thankfully, make the argument that Xi Jinping is in any way an heir to Karl Marx.