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## **4.4 A new democracy is possible: Envisioning a participatory economy**

**John Cronan**

First, I would like to thank the organizers of this conference for having me. It is my first time outside of North America, and only my second time out of the United States. By process of elimination, that makes this my first time in Germany, as well. So, thank you. I am particularly grateful to be at such a conference. One of the purposes of this conference is to look at the transformations of Kurdish society and its movement for freedom. Well, this point, right now, marks a point in my own personal transformation. As working class kid in high school who almost joined the United States Marines, I would have never imagined I’d be speaking in Hamburg as someone who considers themselves a revolutionary, and struggles to win participatory socialism. So, thank you, again.

### **In It To Win It**

A New Democracy is Possible. I’d like us to think about this for a minute. I would like to propose that we ask ourselves if we really believe the assertion made in that phrase. Is a “new democracy” actually possible? I am not asking if we think it would be preferable, or if it is worth thinking about as part of fostering intellectual stimulation. I mean do we actually think that a new society based on radical democratic values is truly attainable? Do we think that we can overcome capitalism, imperialism, patriarchy, heterosexism, racism, authoritarianism, and environmental degradation? I do not think that the answer to this question is as apparent as we might hope. Based on our answer, there are several implications.

If our answer is “No,” then we—as self-proclaimed leftists, radicals, revolutionaries, etc.—should just choose something else to do. Go to the beach every day, or devote your life to playing video games. There is no point in protesting, holding conferences, writing political books, etc., if we do not think we can win. Now, if our answer is “Yes, a new democracy is possible,” then it is not enough to merely analyze society’s ills, or even to resist them. If we are serious about winning, we must provide viable alternatives to the current systems of oppression, and pursue strategies that lead us closer to our alternative. This entails putting forth alternative visions that outline institutions that can replace the ones that we currently despise.

The need for vision is two-fold. First, it is easier to devise a strategy for transformative change, and to judge its effectiveness, if we know what our end goal is. Second, a vision provides people with both the hope that an alternative exists and the tangibility of knowing what they are going to struggle for. For example, would you get on a plane if you did not know where it was landing? If you did determine your destination, would you just board any plane? Or would you want a

plane that was capable of getting you to your destination? You certainly would not fly a single propeller plane with one tank of gas from New York City to China. You would crash into the ocean.

I start with this point because I feel that sometimes we, people of the left, are asking people to crash into the ocean. Furthermore, we ask them to do this after we describe the dangers of the ocean and how horrible it would be to be stranded in it. Leaving my analogies aside, we eloquently describe and convince people how bad a system like capitalism, or patriarchy, is. Then, when they say, “OK, I know what you are against, but what are you for?” we rarely have an adequate answer. Instead, we espouse vague values like democracy or freedom, and ill-defined concepts like socialism. I do not propose that we drop these values or concepts but that we define them.

With that said, I am glad to see that this conference is taking the steps to, at least partly, address questions of alternatives and vision. It is no surprise that the organizers of this conference hold Abdullah Ocalan in high regard, because he seems to me to be a person who takes these questions seriously. I hope that I can contribute to the journey of the Kurdish freedom movement with the rest of my presentation.

I talk of the need for vision. Well, now I want to discuss one such vision for an alternative economy. In other words, what system should replace capitalism? I propose something called participatory economics. Some of you might be familiar with it already. It was first put forth by political economists, theorists, and activists, Robin Hahnel and Michael Albert. However, it draws from traditions like council communism, syndicalism, and guild socialism, to name a few. Later on I will touch on how participatory economics might relate to concept democratic autonomy put forth by Ocalan and the Kurdish freedom movement.

## **Understanding Economy and More.**

First, I want to discuss what is an economy? We can define an economy as a set of institutions concerned with production, allocation, and consumption; and within this framework there are identifiable divisions of labor, norms of remuneration (income or compensation), methods of allocation, and means of decision-making. In layman’s terms, an economy makes stuff, uses stuff, and decides where the stuff goes. The inputs and outputs of an economy, however, are not limited to things. They also include people. Does a worker who spends their day on an assembly line come out of work at the end of the day feeling the same way as someone who spent all day giving a lecture? They certainly don’t.

With that said, Ocalan has stated that “Capitalism is not economy but power.” I agree in the sense that capitalism is not only about goods and services. Capitalism is a class society where people exercise a certain level of power based on their class. Also, capitalism reaches its tentacles into the realm of government, family life, education, community relations, and more. It perpetuates a certain set of behaviors and mentalities that reflect its domination. However, I believe that same can be said about other systems of oppressions, such as patriarchy, white supremacy, national oppression, heterosexism, and the state, to name a few. They all involve systems of domination and power. And I’d also argue that they have influence over shaping each other. I think it is a mistake to use capitalism as a catch-all for all systems of oppression, even if it is meant to include patriarchy, et al.

I believe we need to look oppression and systems of power in a way that views it as a totality, in other words, holistically. This does not mean they are all the same. In fact, when doing this, we should understand that some systems of oppression have their origins in certain spheres of social life, though they are not isolated to those spheres. Moreover, I think we can break down social life into four spheres that always exist: economic, political, cultural/community, and kinship. In the economic sphere, there is class oppression; in the political sphere, there is oppression based on the order giver/order takers relationship, usually embodied in the authoritarian state; in the community/cultural sphere, oppression is based on race, ethnicity, and religion; and in the kinship sphere, oppression is based on sex, gender, sexual identity and orientation, and age.

However, these spheres do not exist independently from each other, obviously. Rather, they are highly entwined. The hierarchies in each sphere are so embedded that they can actually define and shape the institutional roles and relations of the other spheres. For example, in the workplace we have seen how the division of labor has been shaped by sexist and heterosexist societal norms (among others). We see that the constructed role of women as caretakers and nurturers within the family has resulted in them occupying positions like nurses and hostesses, overwhelmingly. We see there is actually a sexual division of labor that is not necessarily inevitable in a given economy.

This approach implies that we must struggle for revolutionary change and overcome each system of oppression, but if we want to do so, we need to address them all simultaneously. At some points in time, one might take a more primary role, say race in apartheid South Africa. However, we can see that the familiar to address the other systems and institutions, like capitalism and patriarchy, has rolled back many of the initial gains from overturning apartheid. It is an example how the intertwining of oppressions, and an example of why we need vision. Overthrowing the old order is in many ways the easy part. Constructing the new society is the most difficult. Vision helps this.

Our overall vision for victory in the struggle to build a free society is called participatory society, or participatory socialism. I prefer, and my organization uses, the latter. Ocalan's framework could definitely fit into the one I propose, though I suspect it might need to be expanded. I honestly do not know enough.

## **Participatory Economics**

### **Values**

When thinking about alternative institutions, we need to start with values. We need to decide the principles we want to live by and what type of people we want to be. Only then we can construct the institutions to make our values a reality. Those values are self-management, equity, solidarity, diversity, efficiency, and sustainability. Yotam Marom, an organizer, writer, and colleague of mine in Organization for a Free Society, explained nicely why we start with values.

Those values will guide us in the development of institutions, not the other way around. In other words, we think society should be governed by institutions that encourage and empower, facilitate and develop these values. We want to build economic structures that create equity between people, that empower us to manage our own affairs, that facilitate a solidaristic community life, that preserve the environment sustainably, that provide for us efficiently, and that give us a di-

verse range of options of what to produce and consume, where to work and how, and who and how to be.

Solidarity simply means that it is better if people get along with one another rather than violating one another. This is contrary to what capitalism promotes, competition and greed, because it is a zero sum game. In capitalism, one is encouraged and often required to ignore and/or promote human suffering and pain on path to their own advance. In other words, in capitalism, “nice guys finish last,” or even more fitting, “garbage rises!” Usually, this value is uncontroversial because its basic premise is to promote empathy and sociality, as opposed to hostility and anti-sociality.

The second value is diversity. It is argued that contrary to the popularly held belief that capitalism promotes diversity and a wide range of options, capitalist markets really homogenize options. According to Albert, “They trumpet opportunity but in fact curtail most avenues of satisfaction and development by replacing everything human and caring with only what is most commercial, most profitable, and especially most in accord with the maintenance of domineering power and wealth”. As one might see, by diversity, we do not merely mean the range of products one can choose to purchase—though capitalism does not adequately fill that function either because it tends to produce false wants, instead of actually reflecting the desires of consumers. However, by diversity, we mean that an economy should allow numerous economic life options for people to pursue without undue economic constraints—the job they really want, the education they really want to pursue, etc.

For example, four generations of men on my father’s side of the family, who are from Irish descent, including my father, have mostly worked on the railroad. But this is what many Irish-Americans, like my father, ended up doing. I know this is not what he really wanted to do in life.

The third value is equity. Equity entails how much should people get and why? If you thought of the economy as pie, how much of the pie should each person get? Most will say that having an equitable or fair economy is uncontroversial, but what is fair? Participatory economics' answer to what is fair, however, does tend to be more controversial, even among leftists.

In capitalism, people get income based on their physical and human assets. The more property and businesses you own, the more money you make. Bill Gates does not make billions because he is smart. He gets an income because he has a piece of paper that says he owns shares in Microsoft. He might actually do work, but that is not what gives him an income. However, if you are in the working class, and you don’t own much, if anything, your ability to sell your labor power is your only asset. Depending on your skill, or the industry you work in, your bargaining power varies, affecting your compensation. Those are just two examples. We reject this method of compensation.

Some on the left have proposed that people should get from the economic pie in proportion to what they put in it. This can sound fair, but we also reject this. What we put into an economy is a function of tools, doing something of more value, working with people who are more competent, and possessing skill or talent others don't have. As Milton Friedman, the conservative economist, once asked the left, “Why should we reward people for luck of the genetic lottery?” So, since people do not have control over these circumstances, participatory economics rejects this as inequitable.

In a participatory economy, people receive an income based on their effort and sacrifice. Effort and sacrifice encompasses length of hours (duration), intensity, onerousness of work, and level of empowerment of the work. This, one could say, means that people should eat from the pie according to the sacrifices they made to cook it. According to this norm, the only thing that can justify one able-bodied person eating more or better pie than another is differential sacrifice in useful production. The rationale is that the only thing that people can control is their effort and sacrifice, so that is how they should be rewarded.

What about need? Say we did compensate for “need.” How would that play out in an economy? Would people just take however much they saw fit, leaving others with less than they need? Obviously, advocates of compensation based on need are striving for equity and would not want this to happen. Then, how do you prevent this from happening? Or even beyond safeguarding against fostering this kind of competition and greed, how do you not waste scarce and finite resources? As stated, this norm is just not compatible with a functioning economy, never mind an equitable one.

Instead, we should compensate base on effort and sacrifice, tempered by need. Children and the elderly, for example, will be taken care of, and you could imagine a social minimum income of some sorts.

The fourth value is self-management. People in the economy should have input in proportion to the degree they are affected. This would be real democratic control. In capitalism the idea of self-management or democracy in the economy is not even entertained. You are only “free” to choose your boss or exploit others. Workers under capitalism walk into mini dictatorships each day they do into work, and this is how it’s meant to be.

Along with the values already mentioned—solidarity, diversity, equity, and self-management—participatory economics also stresses efficiency. Some people cringe at this word, but more often than not, this is because they associate it with capitalist efficiency, a very scary thing. Efficiency merely means attaining desirable outcomes without wasting things that we value. In capitalism, this means maximizing profit while maintaining high productivity and a disempowered workforce, among other things. Contrarily, in a participatory economy, because the aim is to meet peoples’ needs and develop their potentials, efficiency would look very different.

The final value is sustainability. In a way this fits in with efficiency, but we want to stress that our economy should not destroy the environment. In fact, it should actively promote practices that make the environment thrive.

Now that we know our values, let’s get to institutions.

### **Institutions**

In place of private property we propose social, or collective, ownership. This does not mean that every person has the claim to your toothbrush, or that you can’t have your own socks. This applies to the means of production (things that produce wealth). This also does not imply a situation where ownership is concentrate in the hands of a state. Collectively, as a society, we would “own” it all. How would that happen?

Well, that leads us to our next institution, councils, or assemblies. I will use councils for consistency. The main institutions of governance and coordination in the economy will be worker and

consumer councils. Every worker will be part of a worker council in their workplace. It is a way for them to have a say in the deciding how work is organized. These councils would become the “seat of decision-making power” and they would exist at various levels, including individual workers and consumers, subunits such as work groups and work teams, and supra units such as divisions and workplaces and federated in whole industries, as well as neighborhoods, counties, etc. Such councils have historically been the organizational form taken up by people engaging in popular power.

I know that those of you in the Kurdish freedom movement and those familiar with Ocalan will recognize this concept, for sure.

In place of corporate divisions of labor, balanced jobs would be introduced. This institutional feature is one of the most important aspects of a participatory economy. Participatory economics holds that class divisions are not solely the result of property relations, as is traditionally held by many on the left. Rather, class divisions can arise from a group's position in an economy—other than owning productive property—that give it interests collectively different and contrary to other classes, and that its position gives it potential to “rule economic life.” This new class distinction arises from the division of labor, giving a group the relative monopoly of empowering work, knowledge, and skills, and as a result have considerable say over their own jobs and the jobs of workers below them.

Hence, participatory economics recognizes a group between labor and capital called the coordinator class—usually 20 to 25 percent of the population. These are the wage and/or salaried high-level managers, engineers, doctors, lawyers, and other professionals. Their monopoly of empowering work, knowledge, skills, decision-making power, and their shared interests—all institutionalized by the corporate division of labor wherein the bulk of empowering tasks are grouped together to create their specific jobs—grants them a position in the economy that gives them power and makes them capable of becoming a ruling class. On the other hand, workers can be understood as not only those who work for a wage, but rather, actors within an economy that do mostly rote, onerous, and disempowering work. Balancing jobs institutionally rearranges work tasks and responsibilities balanced for comparable quality of life and empowerment effects. It doesn't mean that everyone does everything. There is still a certain level of specialization and expertise needed. But those doing specialized work, like brain surgery, can also mop floors and do secretarial work.

I will come back to the coordinator class a bit later.

The next institution we already mentioned. People in the economy should receive in income based on effort and sacrifice. In today's world, this would result in dishwashers making way more than CEOs, probably the inverse of the ratio now. The CEO sits in the air conditioned board room making decisions about layoffs and then goes to play golf, but the dishwasher does grueling, fast-paced, rote work. The effort and sacrifice is obviously higher for the dishwasher. I would be totally fine with this income differential given the vast difference in working conditions. But remember we are balancing work for empowerment. Therefore, if we assume average intensity of work for everyone, the only income difference would arrive if someone chooses to work more or less hours. That is their choice. Also, we could measure if people are slacking off, yet consuming the same as other by comparing it to previous output. Either way, there is not enough of a difference to cause vast wealth gaps or lead to class differences.

The last institution is participatory planning. In capitalism there are markets. They consist of buyers and sellers. Sellers want to sell at the highest price possible for giving as little as possible away. Buyers want to buy for as cheap as possible for the most product. There are conflicting, adversarial interests. Furthermore, markets are driven by the profit motive. This leads to all sorts of problems, including mispricing everything, over supply of private goods, under supply of public goods, institutionalized greed, and more. This is exactly why there is so much state intervention in markets. Left to be on their own, they would be even more destructive. Markets are bad, period. And I don't think anyone wants to go back to central planning.

Participatory planning is a way to democratically plan the economy in a decentralized way. It is a system in which worker and consumer councils propose their work activities and their consumption preferences in light of accurate knowledge of local and global implications and true valuations of the full social benefits and costs of their choices. It is sort of like a social economic conversation. Worker councils propose how long they want to work, the conditions of the work, the amount of resources they will use, etc. Consumer councils will then submit consumption proposals. Obviously, at first the plans will not match. But after various rounds of adjusting and revising proposals based on the information available, a final plan is had. There is much more that can be said, but it would probably be better to ask questions or see the works of Albert and Hahnel for details, particularly Hahnel. However, the beauty of participatory planning is that the revisions are done by the councils themselves, not by some planning board.

There we have it. Participatory Economics in a nutshell.

### **Does Globalization Stand in the Way?**

Some might ask: is it a viable alternative in globalized, neoliberal stage of capitalism? I think this comes down to the question I initially raised at the beginning. If we truly believe another democracy or world is possible, then what values do we want that new world to have, and what institutions does it need to have to fulfill those values? Once we have that, we need to struggle to win that new world. Yes, the objective conditions of society can alter the path and possibilities of victory, but I don't think it eliminates it. If anything, our globalized world opens up the possibilities for a new democracy, and therefore a new economy, even more. For example, workers in Germany can video conference to workers in Thailand real time given the resources. The possibilities for democratic processes have grown greatly. The problem is that they are still possibilities and haven't been realized. Power still does not rest in the hands of the masses; though the tools are there for it.

Now are we being too utopian to think that we can go from this capitalist economy to a participatory economy? I don't think so. Again, if we sincerely believe another world is possible, it is utopian to think that it can be delivered without having to build new institutions and dismantle old ones. Albert and Hahnel have one of my favorite quotes concerning this very issue:

“Are we being utopian? It is utopian to expect more from a system than it can possibly deliver. To expect equality and justice—or even rationality—from capitalism is utopian. To expect social solidarity from markets, or self-management from central planning, is equally utopian. To argue that competition can yield empathy or that authoritarianism can promote initiative or that keeping most people from decision making can employ human potential most fully: these are utopian fantasies without question. But to recognize

human potentials and to seek to embody their development into a set of economic institutions and then to expect those institutions to encourage desirable outcomes is no more than reasonable theorizing. What is utopian is not planting new seeds but expecting flowers from dying weeds.”

### **Participatory Economics and Democratic Autonomy**

So how do participatory economics and democratic autonomy relate? Well, if you accept my theoretical framework of the totality and holistic nature of oppression, participatory economics is only one vision for one sphere of life. Although, other visions, as you might imagine, must be complementary. In fact, they are all necessary for each one to be fully successful. For example, we cannot have a true participatory economy if patriarchy still exists. Yet, we cannot get rid of patriarchy if we have a class society. The same goes for the political sphere. I would like to tease out some possible helpful insights from this.

There is a proposed alternative political vision that complements participatory economics that is called, for lack of a better term, participatory polity. Like the economic vision, this political vision utilizes the use of councils. The lowest level council would be at the neighborhood and then they would federate upwards by geography. Participatory politics is not as fleshed out as the economics, but it tries to put forth a basic set of political institutions that can cover setting certain social norms, adjudication, and execution of those tasks; and it starts with similar values. From what I know of it, it is remarkably similar to democratic autonomy and democratic confederalism.

I think the biggest lesson to be drawn from what I have discussed is in relation to the coordinator class, as well as the need to transform institutions in all spheres. Unless preventing the rise of coordinator class dominance is part of the vision, then I fear it is more likely to happen. Councils can provide the forum for democratic participation, but they do not guarantee this will happen in with the most desirable outcomes. There are two areas where coordinator class domination can arise.

First, there needs to be complementary changes in the economic sphere, ideally with a council system based in workplaces that incorporates balanced jobs parallel to the formation of political councils or assemblies. This way people will be used to engaging in self-management.

Second. The roles and responsibilities within the councils should be balanced for empowerment as much as possible. Even if everyone in a council is technically given an equal say in decision making, a coordinator class can arise when the tasks that are most vital to the council's functioning are monopolized by a few.

My last comment would be state that having a vision and building alternatives are incredibly important. But we cannot have our alternative institutions coexist alongside the old oppressive ones forever. The latter needs to be dismantled for good. Just for the record!

I think I have spoken enough. Thank you very much!