

A Participatory Economy.

By Robin Hahnel

Chico and Edinburgh: AK Press, 2022. 304 Pages, £18.07 (paperback).

A Participatory Economy is the latest book by Robin Hahnel, one of the founders of participatory economics. It sets out the principles of participatory economics (Parecon) and argues for its superiority over other systems. It constitutes one of the leading and most detailed visions of a post-capitalist economy.

The first three chapters of the book discuss the main values and principles of participatory economics. Chapter 1 'clarifies goals', defining what, as leftists, should be demanded of a post-capitalist economy. This translates into economic democracy, economic justice, efficiency, environmental sustainability, solidarity, and variety. Chapter 2 discusses why it is important to elaborate an end goal. Social democracy, though a clear improvement on neoliberalism, is unstable. Market socialism is inferior to Parecon as markets are tantamount to a cancer that spreads. The carcinogens include pervasive externalities, monopolistic tendencies, the generation of inequalities and, less discussed by economists, the erosion of solidarity. Parecon's main institutions, says Chapter 3, are workplace democracy, and consumer and worker councils.

Chapter 4 deals with work and income. Workers are to be compensated according to effort or onerousness of the work. This overcomes the injustices arising from remuneration due to possession of property or genetic gifts. Distinct from one vote each, decision-making is weighted as workers have a say in workplace decisions only to the extent to which they are affected by them. Similarly, jobs are to be balanced so that each has more or less similarly empowering work. Without this, power would inevitably accumulate in those whose work requires making the most important decisions and who have the most knowledge. Workers will evaluate each other's efforts and also the degree to which tasks are empowering. Slackers, it seems, will be subject to significant moral suasion.

Chapters 5, 7 and 8 deal with participatory planning, including consumer planning, investment and other types of long-run planning. The final chapter outlines how participatory economics principles can be applied to the international sphere. After reading and rereading I must admit that I, like others, do not have a firm grasp of participatory planning. Part of the reason is that its principles seem to stem from formal, logico-deductive reasoning from micro and welfare economics, which do not easily translate into a text intended to be accessible to a fairly wide audience.

Chapter 6 explores what 'reproductive labor' would look like in a participatory economy. Within the private/household sphere this consists of domestic and caring work, and socialisation of children. For practical reasons reproductive labor will be compensated with a flat payment, not based on effort. Within the public sphere, reproductive labour includes healthcare and education. As with the division of labor within the firm, it is to be expected that the division of

reproductive labor between the sexes in terms of occupations and housework is to be much more equal than it currently is. Again, various forms of social pressure and moral suasion are to equalise gender and other non-class differences, along with affirmative action policies. The undervaluing of reproductive labor is indeed a major injustice in a capitalist society.

Hahnel acknowledges that he cannot prove Parecon will work as it has not been implemented anywhere. In lieu of real-life examples, Chapter 5 presents results from simulations claiming that few iterations will be needed in participatory planning, so it will likely be administratively efficient. For this, Hahnel assumes Cobb-Douglas production functions, which were originally conceived for their desirable mathematical properties, not for any relationship with industrial processes. I found the analysis unpersuasive.

The moral logic of compensation according to onerousness is, for me, sound. Equally empowering tasks less so. Allowing people to just do the type of work they want to is at least as legitimate, and perhaps more practical, as making jobs equally empowering. Similarly, allowing women and men to just do the things they want to is preferable to me than equalising reproductive tasks, even if a path is chosen that ends up being somewhat gender segregated.

Empirically, Hahnel forgoes potentially revealing evidence. For instance, no discussion is offered on existing labour-managed and labour-owned firms, in which balanced jobs are a rarity, whereas elected and recallable managers are more common. There may well be a general trade-off between efficiency and participatory decision-making. In Ireland, for instance, master plans are drawn for regions, and for each construction development planning permission is granted or denied, with significant input from local residents and environmental groups. It is comparatively very democratic, and comparatively very expensive (Sweeney, 2022). Also, there was no mention of evidence of the few experiments in libertarian socialism to which Hahnel subscribes. The Israeli Kibbutz system attempted to completely re-engineer gender roles, for instance. While initially successful, the second generation reverted to more traditional roles and, importantly, did not find them unjust (Spiro, 2017).

The Parecon project has been hugely influential on the left. It is very well thought out and I, for one, used to be a subscriber. Many of its moral arguments remain compelling. However, I am unconvinced that one can map out in such detail a future society. Moreover, I believe there is sufficient evidence in today's world, which is absent from this book, that would question how well it would work in practice.

Robert Sweeney
TASC, Dublin

Spiro, M. E. (2017). *Gender & culture: kibbutz women revisited*. Routledge.

Sweeney, R. (2022). Planning to freeze this winter, blog, TASC. Available at: <https://www.tasc.ie/blog/2022/09/08/planning-to-freeze-this-winter/>