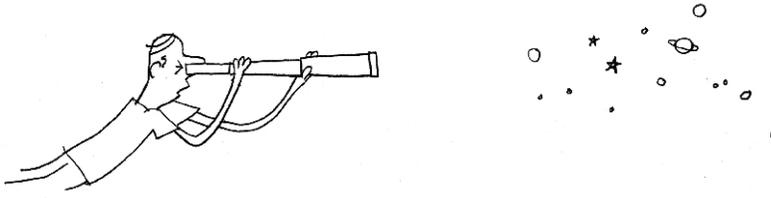


## Participatory Economics: Parecon



*'Another World is possible!'*

*But what might such a world look like? How would we design institutions? How would we structure society?*

*Michael Albert's conception of a participatory economy (Parecon) offers a vision of how we might organize production, consumption, remuneration and distribution in ways that foster the values of justice and solidarity (Cynthia Peters – writer, activist).*

*The model goes beyond failed systems of market capitalism, command economy and social democracy (Carl Boggs – author, social movements and political power). It builds alternatives to capitalist irrationality – such as the barter markets, piquetero productive projects, workers' self-managed factories and independent distribution centers (Ezequiel Adamovsky, activist in Argentina).*

*In the interview with ZNet, Michael Albert talks about his book.*

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**An interview with Michael Albert** by ZNet on his book Parecon: Life after Capitalism. [www.znet.org](http://www.znet.org) February 17, 2003 [C.ELDOC6007578]

**Building Institutional Forms for Parecon: A look at Argentina** - Ezequiel Adamovsky in an interview with Michael Albert, August 4, 2003 [C.ELDOC1071958]

**Zanon Ceramics: Self-Management**

**Argentina: 18 Months of Popular Struggle**, by James Petras, Commentary, Economic and Political Weekly - Vol XXXVIII No. 23 June 7-13, 2003. [C.ELDOC 6007044]

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*In the other interview, Ezequiel Adamovsky, an activist, writer, and member of the movement of Neighbour's Assemblies in Buenos Aires, talks with Michael Albert, on the situation in Argentina. There was a great opportunity, much ground level action and successful experimentation on a large scale to make 'Parecon' a reality.*

*That it was not sustained is another story told to us by James Petras. In this minefield of struggle and success stands a self-managed factory, Zanon Ceramics.*

*There are lessons in there for us in India. We do not have to wait for a crash on the Argentinean scale to heed those lessons.*



## An interview with Michael Albert

ZNet



Parecon: Life after Capitalism by Michael Albert. Verso Books, London, April 2003. 311 p

### **Can you tell ZNet, please, what your new book, *Parecon: Life After Capitalism*, is about? What is it trying to communicate?**

*Parecon: Life After Capitalism* is about an economic system called Participatory Economics that seeks to accomplish production, consumption, and allocation to efficiently meet needs consistent with the guiding values: equity, diversity, solidarity, and self-management. When people ask what do you want for the economy, I answer: parecon.

Parecon features workplace and consumer councils, self-managing decision-making norms and methods, remuneration for effort and sacrifice, balanced job complexes, and participatory planning a set of institutions very different from those of capitalism as well as from what has been called market socialism, for example.

The book, *Parecon: Life After Capitalism*, first examines existing systems, revealing their incompatibility with guiding values we hold dear. Then the book presents defining institutions for the new economy, describing workplaces, consumption, and allocation. Next the book details the daily life implications of the proposed institutions. Finally, the book deals with a host of broad concerns that people have registered on first hearing about this new vision: Would it really further our aspirations and values? Would it be productive? Would it violate privacy or subvert individuality? Is it efficient, flexible, creative, meritorious? And so on.

### **Can you tell ZNet something about writing the book? Where does the content come from? What went into making the book what it is?**

Participatory economics has been around as a model for a little over ten years. Robin Hahnel and I developed it and have written about it in various

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venues. This new book is my best effort to motivate, describe, elaborate, and defend the vision.

In that sense, *Parecon: Life After Capitalism* emerges from many engagements over the years and reflects lessons from actual experience with work life, teaching, organizing, public speaking, dealing with questions in online forums on ZNet, and of course from trying to work through the model in new ways as new insights, questions, and explorations arise.

Regarding the writing, I and many folks who helped me have prioritized making this book as accessible and compelling as we could. I am not the world's best writer, nor even in the top 600 million or so, but I plug away, and I did a lot of plugging on this book.

**What are your hopes for the book? What do you hope it will contribute or achieve, politically? Given the effort and aspirations you have for the book, what will you deem to be a success? What would leave you happy about the whole undertaking? What would leave you wondering if it was worth all the time and effort?**

If everyone who is reading this and all their friends and relatives and workmates don't go out and buy it, soon I will be wondering what I did wrong.

This book tries to answer the question "What do we want?", seriously, compellingly, and accessibly. So naturally I would hope people would give it a read.

As mentioned, I have been hard at work on developing and trying to make known participatory economics for over a decade, and the work is finally beginning to have impact. *Parecon: Life After Capitalism* in some ways climaxes that effort, and will hopefully bring it further along. The book will be published in many languages and has attracted considerable attention even before publication. There is diverse interest from many quarters. There is some momentum for this economic vision, it seems.

In addition, times have changed quite a bit in the past decade. We have progressed from the heyday of market mania and Margaret Thatcher's famous claim that "There Is No Alternative," to a new time of deep travail and wondering about all things economic. Among progressives the World Social Forum inspired watchword has become "Another World Is Possible." Anti-

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globalization movements have taken the wind out of market complacency and are scrutinizing everything economic. People want to know from all kinds of activists, what is your alternative and participatory economics is, I hope, a very good answer, regarding at least the economy.

So, I hope *Parecon: Life After Capitalism* is going to propel this economic vision into much greater visibility than it has previously enjoyed. Of course, I hope the model will prove compelling and worthy, and thus be adopted widely. I have very high hopes indeed and I admit that I will be quite let down, in the sense of the question, if the book doesn't garner attention and provoke discussion, leading to either support for parecon, or, if not, then in lieu of that to development of some other better vision. I would also hope it inspires people to address matters of kinship and gender, culture and community, political organization, ecology, international relations, trying to generate vision in these realms as well. Life is not just economics, by any means. But mostly, the fact that we need serious, worthy, defensible, and comprehensible economic (and other) goals seems indisputable. That now is a good time to offer visionary aims for assessment, also seems indisputable.

So of course I'd like to see *Parecon: Life After Capitalism* travel the world's roads and subways in the hands of the world's working populations. More realistically, I'd happily celebrate the book worming its way into wide enough visibility so that someone far more eloquent than myself writes a much better book that reaches still more widely, into those roads and subways, putting the new vision into widespread left consciousness.

So go visit Amazon, please, or your local independent book store, and get the momentum going...books aren't cheap, nor is the time needed to seriously read them in oversupply, I well know. But, well, I guess I think/hope this one will repay the attention very positively. That's my hope, anyhow. And I wish that people will give that hope a chance. ▶

## Building Institutional Forms for Parecon: A look at Argentina

Ezequiel Adamovsky in an interview with Michael Albert

**Albert:** It seems to me that if movements want to attain certain institutions as a part of their goals, they will need to use organizational forms that foster those institutions and can melt into them, rather than organizational forms that would be neutral regarding the sought aims, or that would obstruct their attainment. I favor such goals as remuneration for effort and sacrifice, self-management, and classlessness to be attained via worker and consumer councils, balanced job complexes, remuneration for effort and sacrifice, and participatory planning. I wonder, whether these aims would resonate in Argentina, your home country. Can you give us a picture of the movements there that have formed local assemblies in neighborhoods and in workplaces? Are the assemblies early forms of workers and consumers councils?

**Adamovsky:** Four movements emerged in Argentina in the last few years, which I think are related to the spirit of parecon:

- the barter markets,
- the "Piquetero" movement,
- the Neighbors' Assemblies, and
- the occupied factories.

The **barter markets** emerged as a crazy idea of two guys, who set up the first experiment in their own garage not too long ago. Basically, it was a simple idea: people who had lost their jobs and therefore were unable to get any money at all, could still exchange their talents and capacities with other people in a similar situation. So, for example, a tailor could repair someone else's clothes in exchange of, say, home made bread, or Computer training, etc. By using their own "currency" – at the beginning, badly printed notes called "credits" -- they were able to exchange goods and services with other people on a non-reciprocal basis, that is, getting by on "credits" from one person, but buying from another. In the worst moment of the economic crisis, it was said that over 7 million people were relying on the barter markets to get by.

Unfortunately, barter markets started to decay later on, due mainly to the fact that some people started to use them as a means to enrich themselves, for

example, by faking the "credits" (which was very easy) or by getting hold of real credits in areas where they were relatively cheap, and using them in richer areas, where their value was higher. These sorts of activities made the barter markets more and more unreliable. Although they are still there, their importance is not what it used to be.

The **Piquetero movement** is a movement of unemployed workers, which started to organize after 1996. It is not one group, but many different organizations (at least 15), with different strategies. But they are all known as "piqueteros" because of the road blockades ("piquetes") that they usually use as a way to put their demands forward. The first "piqueteros" organized spontaneously to resist neo-liberal policies, and they did so by gathering in democratic and "horizontal" (meaning without hierarchies) assemblies. Later on, some Trotskyist, Communist, Maoist and populist parties "copied" the piquetero strategy, but without the radically horizontal approach. Some of the piquetero groups, however, still organize through real assemblies, and make decisions in a horizontal way. In these cases (notably in the Movement of Unemployed Workers "Anibal Veron") the assemblies contain elements of what you have called workers and consumers councils. For example, the MTD Anibal Veron and other groups have set up their own productive projects, small cooperatives that produce bread, bricks, clothes, and other products. But production does not follow market rules, nor is it organized by any "coordinator class". All the movement supports the productive projects, and makes decisions on new investments, etc., and the "profits", if any, do not go to those who work in them alone, but to the whole movement. The criterion is that every kind of work is valuable, so all must be remunerated, i.e., not only those who work baking bread, but also those who take care of popular education, campaigning, etc.

The **Neighbors' Assemblies** are a relatively new phenomenon. They mushroomed immediately after the rebellion of December 2001. In the main cities, neighbours started to gather in the corners spontaneously, to discuss and make sense of their own problems. After an initial period of catharsis – people simply telling each other their problems, anxieties, and frustration – they started to figure out what the causes of the crisis were, and to discuss possible ways out. In the case of the Assemblies, there's no clear element of workers councils – although some of the Assemblies, like the piqueteros, also set up productive projects. Elements of consumers councils are more visible. For example, many Assemblies organized community buys, that is, buying large quantities of goods from retail suppliers, and then distributing them between the neighbours according to different criteria. Other

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examples are the pressure they put on electricity, gas, telephone companies and the like, to get them not to raise the prices, and not to cut off users who weren't able to pay the bills.

Finally, **the occupied factories is the newest movement.** It consists in workers of (sometimes fakely) bankrupt factories, who refuse to become unemployed. When the factory owners announce the closure of the plant, they refuse to leave, occupy the factory, and start to run it themselves. The funny thing is that contrary to all predictions, and despite innumerable obstacles, they do it very well. The workers can run relatively large companies – like Zanon ceramics, for example – and not only get them to produce, but also make them profitable. The occupied factories organize according to different criteria. But generally, the main decisions are made through horizontal assemblies of workers, and salaries tend to be more egalitarian than under the old bosses. Together with these four movements, there are also innumerable smaller things going on, from peasants occupying lands and producing collectively, to artists and independent journalists finding non-corporate ways to produce and distribute their works. In the last few years, Argentina has been an extraordinary laboratory of new economic and political ways to organize and live together.

**Democratic Organising.** There is a long distance from general principles to concrete organizing. Take for example decision-making through assemblies or councils. There is much magical thinking about this: some people tend to think that all you need is to get as many people as possible to discuss and vote and, bingo!, you will always have the right outcome. But that is not true, as we are learning painfully. Many times in my Assembly, for example, we faced the situation in which everybody has the same right to decide on a certain issue (and everybody defends that right passionately), but then those decisions do not affect all of us equally.

That is why I was immediately attracted to one of the ideas that Parecon puts forward: that people should influence decisions in proportion as they are affected by them. It is a very simple principle, easy to understand and relate to, but one that changes the whole logic and practice of decision-making completely. Likewise, I imagine that the political engineering that Parecon proposes – councils at different levels and with different functions – would have been quite helpful for the workers of occupied factories and generally for all the horizontal movements. It would have helped us to figure out concrete and efficient ways to translate general principles (like direct democracy and self management) into concrete realities.

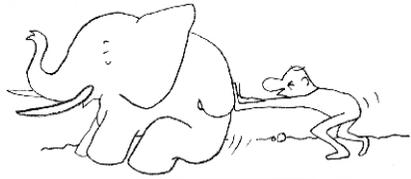
This is not to say, however, that "conceptual workers" do not tend to dominate the agenda. As far as I know, the main political figures within the factories, and those with more knowledge about the productive process tend to have more power, in reality, than the rest. But the dynamics of self-management and direct democracy can sometimes reverse this.

**Building confidence and capacities:** One of the most pervasive effects of capitalism and coordinatorism is that workers are disempowered to such an extent that they do not believe they can be their own "managers". One of the workers of Grissinopolis once explained to me, with a sad look in his eyes, how difficult it was to convince his workmates that they could actually run the company themselves. At the beginning, they thought he was mad. It took a long time for some of the workers to discover that they were not worse than any of the managers they had had before, and that, in fact, they knew their job much better. Actually, half of the workers decided to leave the ship and try to find a "normal" job under "normal" managers.

All relatively complex social enterprises – be it running a company, organizing a political event, etc. – require a certain knowledge, confidence, and experience without which the whole thing is likely to fail.

So, if people do not feel they have the capacity to do something, they will "voluntarily" call a coordinator in. This happened to me in my Assembly many times. As I am a good speaker, my mates used to want me to represent them whenever it was necessary. But of course, that gave me the chance to improve myself as a speaker, whilst my mates remained silent, which reproduces and reinforces inequality in this specific field. So, at some point I decided I would refuse to represent the Assembly in some occasions, which would indirectly "force" other people to come out and try to do it themselves. But the funny thing is that I had to resist pressures from them to keep performing this coordinator-like role, and sometimes they would even get angry at me. "You do it better, why don't you go" they would say. For some of them, daring to take control and responsibility was painful, and it was much easier to rely on someone else.

But, of course, after they broke the inertia and discovered they are capable of doing new things, they loved it and never again give it up. ▶



## Zanon Ceramics: Self-Management

James Petras

In 2003 the courts, with Duhalde's (President of Argentina) concurrence ordered the occupied worker-run factories to be returned to their owners, including two of the major symbols of the leftist ascendancy: the Bruckmann textile factory in Buenos Aires and the Zanon ceramic factory in Neuquen province.

The regime was able to dislodge the workers in Bruckmann but failed in Zanon. It is important to analyse the reasons for the partial victory at Zanon. Several factors account for the success of the Zanon workers in maintaining control and continuing production.

*First of all, they built a broad alliance including several trade unions (teachers, public employees, university professors), students, church groups including the Bishop and the unemployed workers' organisations. These forces have mobilised to block police raids and to pressure the city mayor and state governor to negotiate and not repress.*

*Secondly, the workers inside the factory in their assemblies had developed a high level of class solidarity and class consciousness before the factory takeover. This facilitated lively and open discussions and the election of a coordinating committee which reflected the diverse interests of the workers. A few of the leaders are members of small Marxist parties but they are a minority and more important, their first loyalty is to the factory, listening to the assembly and building a coalition.*

*Thirdly, the Zanon workers have "learned what they didn't know" in running the factory. They have compensated by drawing technical and administrative support and taking short courses from the engineering and business schools, as well as from a few administrators who stayed on and work with the new worker-run factory.*

### **Several major problems face the Zanon workers**

First, the threat of a judicial order to dislodge the workers by force. The Zanon workers have secured 40,000 signatures for a petition calling on the state legislature to expropriate the factory under workers control.

Secondly, the plant is functioning at 20 per cent capacity because of lack of credits, capital and loans. The state and provincial governments refuse to provide any funds though the state has spent billions bailing out banks and private monopolies.

Thirdly, the workers need to improve their marketing. The state and big capitalists in Neuquen have pressured enterprises not to purchase Zanon products. The governor who mouths Buy Neuquen slogans, imports ceramics from Brazil rather than Zanon, as part of a concerted campaign to undermine the self-managed factory.

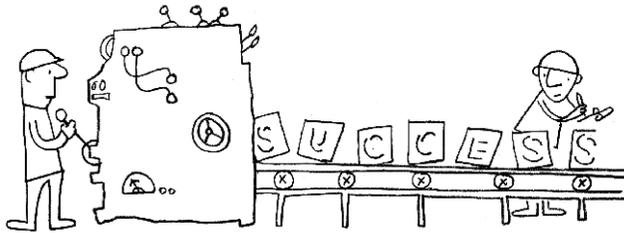
While the workers have been steadfast in their struggles, their heroism succeeded in sustaining the factory because they also reached out and secured the support of engineers and technicians to train and advise them as well as building a broad coalition which included the left but also the church, trade unions, students, and the unemployed.

Without the broad coalition and active support of professionals the workers would not have succeeded.

The virtual absence of sectarian politics and the broad community support probably have a lot to do with the geographical location of Zanon.

In the provinces, the sectarian infighting is less intense, as everyone knows one another and works together on a face-to-face basis and camaraderie at the workplace is stronger than ideological nitpicking particularly when it comes to closing ranks before a major threat.

Likewise, in the provincial cities, the concept of community is stronger, the social networks link with family, neighbourhood and social organisations creating closer bonds of social solidarity in which reciprocity in supporting each other's struggle is a common feature. ▶



## NOTES

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