

We Need An Economy Without Bosses And Managers. Participatory Economics Is How.



Michael Albert - Photo: youtube.com

Interest in worker cooperatives has been [spreading](#) lately across the U.S. This is largely due to growing insecurity in the face of structural changes in the workplace during the neoliberal era, which have intensified since the last financial crisis. In fact, worker cooperatives are well established in many countries of Europe, especially in France, Italy and Spain — countries with long anarchist and socialist traditions.

The movement for workers cooperatives goes beyond capitalism as it breaks down hierarchical structures and puts workers and community at the core of business operations. Yet critical questions remain about the function and impact of cooperative economics. For example, what would a post-capitalist economy where workers run productive facilities look like? How would decisions be made about production, distribution, and who earns what? And what would be the role of money under an economic system without owners or bosses? Is such an economic future even realistic, or a mere utopian dream?

Michael Albert has been advancing a vision of participatory economics for over 40 years now. In his view, “Participatory economics proposes a few key institutions that its advocates feel to be essential for an economy to fulfill quite widely held worthy aspirations including solidarity, diversity, equity, self management, and sustainability—classlessness—and to of course also be viable for producing and allocating to meet needs and develop potentials of everyone.”

Albert's latest book, [*No Bosses: A New Economy for a Better World*](#), presents a detailed pathway toward an economy based on genuine self-management and solidarity.

C.J. Polychroniou: Your new book, No Bosses: A New Economy for a Better World, advances a vision for a new economy called participatory economics (parecon). A key idea behind your vision of an alternative economic system is worker self-management. Can you outline how such an economy would function with regard to decisions about production, allocation and rewards where workers run enterprises without bosses or owners?

Michael Albert: You ask a key question: With no owners, who will decide what? Participatory economics says we should all have a say in decisions that affect us in proportion to the degree to which we are affected. Workers' councils should therefore make workplace decisions.

But beyond being made by their involved workers, workplace decisions need to be insightful and informed. What can facilitate that?

Look around now. About 20 percent of current employees do mainly empowering tasks. About 80 percent do mainly disempowering tasks. The empowering situations of the 20 percent convey to them information, skills, access to decisions, connections with others and confidence. The rote, repetitive and generally disempowering situations of the 80 percent diminish their information, skills, access, connections and confidence. Looking down at workers below, we have empowered managers, lawyers, engineers, financial officers, and other employees I call the *coordinator class*. Looking up at coordinators above, we have disempowered cleaners, short-order cooks, carriers, assemblers, and other employees I call the *working class*.

If we reject having owners but we retain this corporate division of labor, the empowered 20 percent will consider themselves special, responsible and important. They will set agendas and make decisions. They will pursue their own interests and defend their own dominance. The disempowered 80 percent will have to obey a new boss in place of the old boss. To eliminate this class hierarchy in which 20 percent decide and 80 percent obey, *all* workers will need to be comparably prepared to participate in informed decision-making. Thus, participatory economics apportions tasks into jobs so the particular mix of tasks

you do and the different mix I do, and indeed the mix every worker does provides to all a comparable level of empowerment.

No Bosses argues that “balanced job complexes” would not only end the coordinator/worker class division but also be productive, efficient and effective. But *No Bosses* also urges that we would still have a decision-related problem because beyond its workers, what occurs in a workplace also affects direct consumers of the workplace’s products as well as bystanders who may be inundated with pollutants. For self-management, direct consumers and also adjacent bystanders also need appropriate say. Moreover, if a workplace uses a particular quantity of some input to produce a desired amount of some output, other workers elsewhere can no longer use that same bit of input to produce a different output. Metals forged into bombs can’t be forged into bridges. So, everyone needs a say in what gets made, with what, by whom, for whom. A question arises: How will participatory workplaces and consumers together exercise self-managing say to arrive at properly accounted outcomes?

Nowadays, economists tell us we have no alternative. To allocate, we must use markets and/or central planning. But *No Bosses* reveals that while markets and central planning do a very credible job for dominant elites, for the rest of us, they diminish worker and consumer well-being, destroy ecological balance, demolish dignity, produce anti-sociality and enforce coordinator class rule.

To escape all that, participatory economics proposes that self-managing workers’ and consumers’ councils develop and refine their respective preferences through rounds of decentralized deliberation that bring production and consumption into accord.

No Bosses demonstrates how this “participatory planning” with no top and no bottom would settle on appropriate product amounts and valuations and deliver equitable incomes consistently with self-management and balanced jobs. It shows how “participatory planning” would efficiently utilize society’s productive assets to seek human fulfillment and development in light of ecological, social and personal implications. It shows how “participatory planning” would generate solidarity and not a rat race; diversity and not homogenization; dignity and not alienation; and ecological sustainability and not collective ecocide.

What would be the role of money under this new economic system? And how

would a national-based “self-management” economy deal with the forces driving the global economy?

In a participatory economy, money would account. It wouldn't accrue. People would receive income either for the duration, intensity and onerousness of their socially valued work, or because they can't work but get a full income nonetheless. Some goods would be free, like health care and much else, but on the consumer side, people would mostly choose from the social product the particular mix of goods and services they wish to enjoy up to their income/budget. On the producer side, workplaces would use diverse inputs to generate outputs. Participatory planning would mediate it all without competition or authoritarian command. Items would have prices to convey information that allows people to consume in accord with their income and to produce to meet needs and develop potentials without undue waste and while respecting the environment. Imagine a debit card to make purchases. Money just facilitates equitable allocation. There is no making money by having money.

If the global economy were composed of national participatory economies interacting by way of international participatory planning, the needs and desires of the populations of its many countries would drive it. But suppose some participatory economies operate in a world that is still market guided. The participatory economies would have their own domestic valuations that reflect true social costs and benefits. The rest of the world would have market valuations that reflect bargaining power. I would hope that a participatory economy would transact with other economies using whichever of the two prices would allocate the benefits of each trade in a way that would further equity rather than abet accumulation by the rich at the expense of the poor.

How would unemployment be dealt with under this new economic system, or with individuals in general who refuse to join a workers' enterprise or execute tasks assigned to them at workplace by the collective?

In a participatory economy, the amount of available work reflects people's desires for the output of work. Divide all the sought work among all the potential workers and everyone is employed. If in sum people seek less output, it means everyone works less, not that some work while others don't. The planning process plus participatory economy's remunerative norm correlates people who seek work with workplaces who seek workers. And though I have barely mentioned it, that

remunerative norm — that income is for the duration, intensity and onerousness of your socially valued labor — is another defining feature critical to participatory economy being an equitable and viable vision.

As you note, work in a participatory economy would occur via workers councils. If I was to refuse to be part of any workers council, I wouldn't work so I also wouldn't get income for work. Similarly, if I were to violate collectively agreed, self-managed norms in my workplace — for example, if I didn't do my tasks, or if I did them really poorly — I could lose my job. In a participatory economy, we would get income for the duration and intensity of our socially valued work. Between jobs we would retain income. We would get income only for work that is socially valued. Someone unskilled in medicine or basketball wouldn't be able to do surgery or shoot hoops for income. No one would want such an inferior product. No associated workers council would employ someone incapable of doing worthy work. But how do workplace councils get allotted appropriate total income for their workers? In our councils, how do we each get our fair share? How do we opt to do one job and not another? How do we get items to consume? *No Bosses* addresses all that and much more. But for your immediate question, in a participatory economy, unemployment of people able to work would only occur temporarily when people transition from one job to another. And such unemployed workers would retain their incomes as well.

I assume you are aware of the practical challenges facing the transition to a worker-self management economy. So, what practical advice do you offer as to how we can proceed with the type of reforms needed that would create the building blocks for an economic system without bosses?

We want enlivening, equitable, self-managing participatory economics to replace moribund, impoverishing, class-ruled capitalism. This requires that we fundamentally revolutionize the defining features of a central sphere of social life. But, as you suggest, on the way to that result, we will have to win lesser changes both for their immediate benefits to deserving constituencies, and to create the conditions for ultimately winning and implementing our greater goals. Two issues centrally arise. First, what kinds of things should we seek to win as part of the process of winning a new economy? Second, how should we fight for such immediate reforms in ways that contribute to winning a new economy?

What we might win in current society is anything that betters the lot of people

suffering economic ills. For example: wage increases. Dignity. Free medical care. A degree of say over work. Free internet. Changes in investment patterns. Changes in national and local budgets. Free education. Protection against ecological violations. And so on.

And how do we win such changes in current society? We create a situation in which those who have power to implement the changes do so because the risk to their power and wealth of refusing to give in is greater than the losses they will incur due to giving in.

Next, *how* do we fight for such changes? What words should we use? What demands should we make? What organizations should we develop? Even more, what desires should we address and arouse? Answer: We should choose among possibilities based on whether our choice enables us to win a sought reform, but also based on whether it builds a desire to fight on for more, and based on whether it strengthens our means to win more due to how we have conducted our struggle.

We fight for a higher minimum wage, but we talk about equitable incomes. We fight for dignity and improved work conditions, but we talk about self-management and build worker and consumer councils. We fight for restraints on dumping and for reduced military expenditures, but we talk about escaping market absurdity and attaining participatory planning.

Moreover, we don't address economy alone. Entwined with the above economic path, and with equal commitment, creativity, inspiration, audacity and priority, we simultaneously develop and seek to win cultural/community, sex/gender, and political vision with all together composing a participatory society.

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