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## **Parecon and the nature of reformism**

**A review of Robin Hahnel (2005). Economic Justice and Democracy; From Competition to Cooperation. NY**

Wayne Price

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The second most important problem for anticapitalist radicals is how to get from here to there; that is, how to get from a capitalist society to a good society. The first problem is where do we want to go—what we mean by a good, noncapitalist, society. Working together with Michael Albert, Robin Hahnel has spent years on this first problem, developing a model of what a good society might be like, or at least how its economy might work. In a series of books and essays (e.g., Albert 2000, 2005; Albert & Hahnel 1983, 1991), they have thought out how an economy might function which is managed by its people rather than by either private capitalists or bureaucrats—an economy managed through bottom-up democratic cooperation, rather than by either the market or centralized planning. They call this “participatory economics,” or “parecon” for short. Their model involves coordination by councils of workers and consumers to produce an economic plan. I will not go into it now; it is fur-

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ther discussed in Hahnel's current book. In my opinion, their model has enriched the discussion of what a socialist anarchist society might look like..

However, they have written little on the second issue. Having decided on a social goal, then what? Might it be possible to gradually, peacefully, and incrementally evolve through small positive changes from capitalism to antiauthoritarian socialism? Or must a mass movement, eventually, overturn the capitalist class, smash its state—against the will of its agents—dismantling its police, military, and other institutions, and replace them with alternate structures? This is, of course, the topic: Reform or Revolution? It leads to a certain focus on the nature of the state.

Despite the subtitle of this book, neither here nor elsewhere does Hahnel write about how to get from a competitive society to a cooperative one. Unlike “reform,” “revolution” does not appear in the book's index. Asked about it at a New York City stop on his book tour (May 25, 2005), Hahnel mixed it up with the issue of whether an eventual change would require mass violence (which is a derivative issue). He said, “I am agnostic on that.” He went on to point out that the radical movement is very weak now, decades away from being a major force, perhaps not for 30 years. Whether a revolution is needed, “I don't care; I won't be around.” Which was an odd response from someone who spent much of his political life working on a program for after capitalism! Similarly I have heard Michael Albert, at the Global Left Forum 2005 (New York City), describe parecon as a society to come “after the bump”—the “bump” being his agnostic term for whatever kind of change-over will take place from capitalism to parecon.

Instead, what they do discuss is the first stage of the change-over (and it is very much thought of in stagist terms). Hahnel's concern is: How shall democratic anticapitalists build a mass movement? (The same topic is discussed by Albert 2002.) Hahnel writes, “I count myself a libertarian socialist” (p. 137), by

which he includes anarchists as well as autonomist Marxists. He concludes, "...The principal failure of libertarian socialists during the twentieth century was their inability to understand the necessity and importance of reform organizing...Their ineptness in reform campaigns doomed libertarian socialists to more than a half century of decline after their devastating defeat during the Spanish Civil War..." (p. 138). (I will return to this truly bizarre statement.)

Hahnel calls on councilist socialists to participate in all sorts of reform struggles, including economic reform movements. For example, they might work in labor unions, either as rank-and-file activists or as union officials, working their way up the union structure (he seems to regard these approaches as equivalent, each having advantages and drawbacks). Or they might join in "the anticorporate movement" of Ralph Nader, "the environmental movement" (not "ecological movement"), the "consumers movement," or "the poor people's movement." Reform activism should include not only popular struggles outside the establishment but also legislative goals. As an activist in the Green Party, during the 2000 U.S. presidential elections he supported Ralph Nader (who, whatever his virtues, is a clear supporter of capitalism and the state). During the 2004 elections, he was instead for the Greens' "safe-states" strategy, in which they did not run a presidential candidate in any state where the vote was close. This way their supporters could vote for Kerry, the pro-war, imperialist, candidate.

Hahnel notes that global capitalism is moving toward greater attacks on the livelihood of large sections of the populations of both the rich and the poor nations, setting off financial crises, causing great suffering, and destroying the environmental and ecological balance. But he believes that "...capitalism [could be] tamed by a full panoply of social democratic reforms..." (p. 61). He urges libertarian socialists to work together with social democrats (out-and-out reformists). This would not result in a just society which satisfied the

deepest urges of humanity, but he thinks it would hold off economic crisis. Capitalism would never become ecologically sustainable, but at least “...reforms within capitalism can slow the pace of environmental destruction...” (same). For such reasons, “...it is crucial to win reforms that move us even closer to ‘full-employment capitalism’ than the Scandinavians achieved during the 1960s and 1970s” (p. 265).

Hahnel discusses the social democratic governments of Sweden in the 70s, of Mitterand’s France, and of the present governments of Lula’s Workers Party in Brazil and the ANC in South Africa. In each of these cases, the pressures of capitalism, inside the country and internationally, forced the social democratic administration to move to the right, abandoning its promises to the workers—and actually attacking the workers. But Hahnel argues that a more militant and radical version of social democratic politics was possible in these situations. Left social democrats could have resisted capitalist pressures, he claims, by such measures as halting capital outflows and seizing capital assets. No doubt this is abstractly true. But if social democrats acted in a militant and left fashion, they would not be social democrats! And what if they had? Would the capitalists not have counterattacked by doing what they did to the Popular Front government of Spain in the 30s and to Allende’s regime in Chile in the 70s? The armed forces and police of the capitalist state, together with organized fascists, rose up and overthrew bourgeois democracy. They murdered vast numbers of workers and activists, establishing dictatorships, until the eventual day when bourgeois democracy could be re-established over the bones of a dead left. Social democracy has no answer for this.

I agree that it is important for socialist anarchists to participate in struggles for reforms. This includes wage demands of unionized workers, anti-discrimination demands of women, affirmative action for African-Americans, U.S. withdrawal from Iraq, and so forth. I also think that libertarian socialists have of-

prises but through democratic, rank-and-file controlled, mass struggles (as a parecon supporter, Tom Wetzel, 2003, points out).

The concept of participatory economics, as developed by Hahnel and Albert, is worth exploring. They are inspired by the tradition of libertarian, councilist, socialism. They share the values of revolutionary class struggle anarchism. Even in disagreeing with them, there is much to be learned from reading their work, since they are thoughtful people who are dealing with important issues. Yet they demonstrate, in spite of themselves, that it is not enough to attempt to not be reformist. It is necessary to be revolutionary.

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Hahnel asserts that the anarchists failed to build a lasting mass movement due to their lack of reform organizing. On the contrary, the Leninist variety of Marxism replaced anarchism as the far left of the workers' movement in the 20s and after, because the Leninists were widely believed to have led a successful revolution. The reason why the anarchist movement went into "a half century of decline after their devastating defeat during the Spanish Civil War..." (p. 138) was not their failure to do reform organizing but...their devastating defeat during the Spanish civil war/revolution! Had the anarchists successfully pulled off a revolution in Spain, they would have expanded their influence greatly—while changing the world. (Hahnel does not analyze the Spanish revolution. If he had, he would have had to say why the anarchists did so badly when they followed his basic program of allying with social democrats and bourgeois liberals, and pursuing a reformist course.) In the 60s the student movement went from anarchist-like "participatory democracy" to Maoism and Trotskyism, due to the attraction of the Chinese, Cuban, and Vietnamese revolutions. Had the anarchists led a successful revolution in France in 1968, for example, this would certainly have increased their influence! The recent revival of anarchism is directly due to the collapse of the Soviet Union and its Eastern European satellite states—involving semi-revolutionary events.

Even in reform struggles, the issue will be repeatedly raised: shall the movement try to permeate centers of power, run in government elections, work its way up through the union hierarchy, and so on, or will it try to win gains by organizing outside of and against the establishment, seeking to win improvements by threatening the status quo. Albert (2002) says something to this effect, but does not generalize it. This is the revolutionary approach to winning reforms. Similarly, the way to give ordinary people experience in self-management is not primarily through worker ownership of marginal enter-

ten been inflexible, sectarian, and foolishly purist in their politics. But this is only the beginning of the question. How shall we fight for reforms and in what context? For example, when working inside unions, it is not enough to advocate more democratic structures. Anarchists should fight against the union bureaucracy as a social layer and political enemy, a barrier between the workers and a full fight against the capitalists. As another example, movements must make demands on the state (which has power and money). But almost a century and a half of socialist electoralism has demonstrated that participating in elections and governments is invariably de-radicalizing and corrupting for popular movements.

Hahnel does not claim to be a revolutionary, but he calls himself a "non-reformist." He is perfectly aware that reforms under capitalism are only temporary and can always be reversed; a totally new society is needed. Yet if a movement were to follow his advice and focus its efforts on struggling for reforms, without the goal of a revolution, then how would it be different from a reformist movement? Regardless of what its activists thought they were doing, wouldn't the movement in fact be reformist?

Hahnel does not think so, for two reasons. First because, unlike reformists, his goal is a noncapitalist, parecon, society, and second, because he proposes to also build alternative, equitable, cooperative, institutions. Both these arguments are weak.

There is a widespread illusion on the left that we could follow a reformist strategy, but if we aim at a new and different society (anarchist, parecon, communist, whatever) then we are still revolutionary...or, in Hahnel's case, not reformist. This confuses all reformism with liberalism, the program of improving capitalist society without fundamental change. This is a historical error caused by the recent (post-World War II) decay of the social democratic parties. They finally abandoned any pretense of advocating a new, socialist, society. But up until then, the social democrats had managed for decades—

generations—to carry out reformist programs while claiming to be for socialism. Classically this was done under the banner of the maximum and minimum programs: officially the maximum program was for socialism, as was presented in manifestoes and May Day speeches; while the minimum program listed reforms achievable under capitalism. That was what the parties actually fought for.

The most right-wing socialist reformists also advocated socialism; they claimed that reforms were the way to achieve a new society. An example was the British trend of Fabian Socialism, led by George Bernard Shaw and Beatrice and Sidney Webb in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. They took their name from a Roman general, Fabian, who won with guerrilla tactics. Rejecting both anarchism and Marxism, they developed a chemically-pure version of reformism. They believed in infiltrating (“permeating”) the capitalist parties, while encouraging government intervention in the economy, including national and municipal ownership of industries. But they believed this would gradually lead to a new, socialist, society! The same was believed by the French Possibilists and the German Revisionists. It is true that Edward Bernstein said that “the movement is everything, the final goal is nothing,” which shocked even his Revisionist followers. But even he saw the movement as a movement toward socialism. So it is perfectly possible to say that you are for parecon, and to believe that you are for parecon, but yet to be a reformist in practice, building a movement which is incapable of going beyond capitalism.

Hahnel believes that the weaknesses of a reformist practice can be offset by simultaneously building “experiments in equitable cooperation.” He refers to worker ownership of capitalist firms, local currency systems, producer and consumer cooperatives, neighborhood assemblies which negotiate with city governments, intentional communities, and so on. What this amounts to is the old strategy of overtaking capitalism by building alternate institutions—going back to Fourier’s communes

or Proudhon’s mutual banking scheme. (This is not an alternate to reformism; it is another version of reformism. It proposes to gradually build up alternate institutions, behind the back, so to speak, of the capitalist class, until it is possible to replace the capitalist economy and state. Sometimes this is mis-called a “dual power strategy.”) No direct confrontation with the state is expected. Cooperatives and communes are perfectly fine things, good in themselves, but as a strategy for replacing capitalism they will never work. They seek to compete with capitalism on its own grounds, the marketplace. Mostly such attempts fail. But often they succeed—and then they fail by success, as they become integrated into the capitalist system. (I live in a housing cooperative, democratically run by its tenants; it works well but is no threat to capitalism.) Probably the most successful communes are the Zionist kibbutzim, which are supported by the Israeli state for their use in occupying Palestinian land. If the alternatives ever did threaten capitalism, if there was a chance of their replacing U.S. Steel and General Motors, then the state would no doubt shut them down by passing the appropriate laws.

Hahnel is aware of the weaknesses of the alternate institution strategy, and discusses them, as he is of the weaknesses of left-social democratic-type reformism. Somehow he thinks that if both types of reformism are done together, they will balance each other and result in a non-reformist strategy. They will produce greater victories and prevent demoralization and corruption among activists. Frankly it is not clear to me how he thinks that one reformism plus another reformism will produce anything but...reformism.

Hahnel’s and Albert’s strategy is stagist. First they are for building a mass movement and then later, some day, they will deal with the problems of the “bump.” (I am not discussing the slight differences between the two of them on this subject.) They do not see the interconnectedness of tactics in reform struggles with the goal of revolution for a new society.