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Alternatives to Capitalism. Proposals for a Democratic Economy

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Review

Hahnel, R., & Wright, E.O. (2016). *Alternatives to Capitalism. Proposals for a Democratic Economy*. London and New York: Verso. ISBN 9781784785048

Both authors of this book have a long history of work on alternatives to capitalism from a perspective of economic democracy and social just. Robin Hahnel, together with Michael Albert, has worked for more than two decades in the design of an anti-capitalist economic model named “participatory economic”, first proposed in their 1991 book *The Political Economy of Participatory Economics* (Princeton University Press) and more recently outlined in Hahnel’s *Of the People, By the People: The Case for a Participatory Economy* (AK Press, 2012). Erik Olin Wright started the Real Utopias Project in 1990, for identifying and analyzing a series of institutional and organizational configurations that embody emancipatory ideals and are at the same time viable and sustainable, and in 2010 published the book *Envisioning Real Utopias* (Verso), one of his most important publications in this matter. *Alternatives to Capitalism: Proposals for a Democratic Economy*, more than a reading intended to deepen in these two perspectives of social transformation, contains a friendly but nevertheless critical debate of the authors on each other’s proposals.

Divided into two rounds of discussions, the book begins with an exposition by Robin Hahnel of the main features and institutions proposed

for a model of a participatory economy (self-governing democratic councils of workers and consumers, jobs balances for empowerment and desirability, compensation according to effort, and participatory planning). The annual participatory planning procedure, which suggests the possibility to eradicate the use of market-like processes in the production and allocation of every product and service, is given special attention in this section, for it is the core feature of the model. In the base of these arguments Erik Olin Wright, after highlighting points of agreement, questions the functioning of such a model in terms of household consumption, public goods planning, externalities, risk taking innovation and the organization of work and pay, and is later given answer to his critiques by Hahnel in the final section of this half of the book.

Presenting a contrasting proposal for not being a detailed economic model but an open-ended analysis of general principles and values for organizational configurations and institutional transformations that foster the social empowerment, in the second round of discussion Wright introduces the framework of his proposal for envisioning the pathway to overcome capitalism and, which lies on the ideal of real utopias and a new conception of socialism. Robin Hahnel then elaborates a critique of the proposal, having among its main arguments a defense of the idea that markets, a main feature of today's capitalist economic system, should be substituted by some other kind of mechanism of allocation of resources, such as a participatory planning procedure. An answer is given by Wright, both in defense of his own original proposal (which leaves room for markets in a non-capitalist economy) and in response of some of Hahnel's main ideas behind the participatory economics.

The reader of this book may find of great value not only the practical and theoretical contributions of both frameworks (the participatory economics and the real utopias approach) to the analysis of strategies and scenarios of social transformation beyond capitalism, but also the deep analysis that both authors make on each other's proposals and the arguments (in favor and against) that they present for the realization of their utopian ideals. Debates such as the one around the role of markets in a post-capitalist society, in which the final decision is not determined but instead left to the reader's

choice, are an example of the kind of analysis that can be enjoyed in this very recommendable book.

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