Version 3 Campbell. Preliminary NOTES

**The State, Comprehensive Planning, and Autonomous Workers’ Coops**

1) Background

 i) Cuba has been engaged in a deep restructuring of its project to build socialism for a quarter of a century.

 ii) There are *many* aspects to this restructuring. *One* aspect is that it has/will greatly expand the non-state sector. That has the potential to threaten its socialist project, to initiate a process of capitalist restoration, which the majority of Cubans opposes.

 iii) The non-agricultural sector is about 80% of the economy. There is a discussion and initial experimentation about making a large part of the still developing non-state sector of the non-agricultural economy be workers’ cooperatives.

 iv) The background question one must always ask about ***any*** of the proposed new structures or procedures (and in fact, should ask about all the old structures and procedures), not just about coops is: ***will this change help Cuba’s project of building socialism or harm it?***

A follow-up question to that is – if it is decided that the change will help Cuba’s socialist project, what concrete form of the proposed change would be the best for the socialist project? (In passing – the answers for society must be achieved by collective social debate.)

2) It is logically impossible to try to discuss if Cuba’s current project is contributing to or detracting from its declared goal of constructing socialism, *without first* *minimally establishing what is (or are) the goal(s) of socialism.* Keeping in mind that this has been debated for centuries, and continues to be debated today, *including in particular in Cuba,* I will throw out a few basics considerations of the issue, in order to give a logical basis for what follows.

 *Over the years, I have come to usually refer to the central goal of socialism as “human development.”*

As always, we need to keep in mind that *particular words* are not magical phrases whose value comes from them being chanted. Rather, what is important are the *actual processes in the real world*. Different people very often use different words to describe similar understandings of the *same real world processes.* Some basically equivalent expression of that *same understanding of the same central goal* are ‘the development of one’s human potential’, or ‘the opportunity to develop one’s potential abilities,’ etc. Paulo Freire used the longer but slightly more suggestive expression that I have always liked best, *“man’s ontological and historical vocation to become more fully human.”*

While still fairly abstract, a set of more concrete and operative sub-goals of socialism are often put forward as its goals, though they actually receive their justification from their support for socialism’s central goal just indicated of human development. The most commonly cited of these are *self-determination* (or *self-governance,* *authentic democracy, popular democracy* or simply *democracy*), *solidarity and collectivity* (including *“cooperation instead of competition”*), and *equality*. Recently the *protection of the natural environment* has been included as a goal in almost all discussions of socialism.

3) The starting point for the need for a state in the transition to socialism is much deeper than “if you don’t make a state they will, and they will use it to crush the transformation,” –even though history has shown repeatedly that is completely true.

The starting point for the *need for both a state and comprehensive planning,[[1]](#footnote-1)* not only in the transition to socialism but in socialism, is *the species-nature of humans.* One essential part of the nature of humanity (not the only part) is that they are *collective and cooperative beings*.

There is a very large literature dispersed over various academic disciplines on the many dimensions of the collective and cooperative aspects of human nature. For these short notes it will suffice to only briefly consider the following. Every human is an individual, but our specific individuality is created through our collective and cooperative interactions with society. Not only are we obviously shaped by our interactions with parents, teachers and friends, but beyond that, the individuals we become are shaped by the culture we grow up in, the language we learn to think in, the “world view” of a particular place and time in history, and so on. We are ***social individuals***. It is worth noting in passing that the core of mainstream economic theory (and political science, etc.) is built on the opposing false Robinson Crusoe (“socially isolated”) theory of individuality, which Marx specifically ridiculed.

4) For this work, the important result from the above is that ***each of us has collective interests.*** “Collective interest” indicates that an individual and all other members of some group have an interest, *as a member of that group*. Then, because people are all members of many different groups, humans all have *many collective interests.* We have social group interests as women or men, interests as farmers or secretaries, interests as scuba divers or hikers, and on and on. For our concern in this talk, we have *workgroup, local, regional, and national* ***social-economic-political*** *collective interests.*

5) From the last point that each individual has collective interests at the national, regional, local and workgroup geographical levels, as a member of those groups, and given the socialist goal of self-governance / self-determination / socialist democracy which are sub-goals of the central goal of continual human development, some arrangement among the members of the relevant groups is necessary in order to i) determine what the collective cooperative group interest is, and ii) to enact it. ***Those arrangements for that purpose, and the institutions created to execute them,* *constitute a state***, be it national, regional or local. For the more specific issue of the narrowly-defined social-economic interests of the group, *the expression of the collective cooperative interests* *takes the form of* ***socially determining, and then executing, plans*** *at the national, regional, local and workgroup levels*.

6) Historically in class society, the fundamental role of the state has been to maintain the suppression of the subaltern classes and reproduce the existing society, by regulation and/or force.[[2]](#footnote-2) People who see the existing capitalist state as an opponent to a socialist transition are correct. *But the solution is not to do away with the state in the new society, but to capture it* ***and deeply transform it******to create a new type state tha****t i) is an instrument for people to collectively self-promoting their interests, both in the transition to socialism and in socialism, and ii), key to that, is* ***thoroughly participatory****.* This would be in contradistinction to all existing states that have been by design exclusive and excluding. Note that without needing to go back to Marx’s writings on the Paris Commune, over the last 50 years socialists have written a fairly sizable and very rich body of work on what a state suitable for socialism or a transition to socialism would be like. This included analyzing numerous experiments in the real world that tried to take the first steps to expanding self-determination into government, even before breaking their capitalist structure.

7) If either the decisions that should be made by some local group are made say nationally by people outside the local group, or the opposite, decisions that should be made by the entire national group are made by some local subgroup of the larger group, *then the appropriate members for exercising collective self-determination are disempowered, and hence the goals of socialism discussed above are violated.*

 In a longer work on this that I am writing up I give examples of each problem, *over-centralization and “local only*,” which I do not have time to discuss here. I want to stress again that this is not in the first place a question of efficiency. If decisions on growing tomatoes are made nationally, or decisions on locating cement plants are made locally, *these are violations of the socialist goal of individuals collectively self-governing the issues relevant to all groups they are part of, and hence their human development.*

8) Many opponents of what they call “state-led” or “state-centered” socialism counterpose “grass roots” socialism to it. *This is an incorrect opposition from the perspective of our collective and cooperative human nature and our collective interests that are at the heart of socialism, as just discussed.* ***The socialist state at all levels must be “grass roots.”*** *The state must be the agent of the grass-roots that empowers the grass roots to make and effect its own collective choices,* *to collectively and collaboratively control its own destiny, at all levels of society.*

9) Many opponents of what they call “state-led” socialism counterpose “socialism from below” to it. To the extent that this name is just being used as a synonym for “grass-roots,” the arguments of the last point apply. All socialism indeed must be “from the bottom up.” *With the state controlled “from below,”* that poses no incompatibility with the state being the agent of collective action which must exist to enable ongoing human development.

 “From the bottom up,” however, is alternatively often counterposed to “from the top down,” making it equivalent to the idea of “local only.” This dichotomy is *both* *confused and politically/ideologically misleading.* Both “top” institutions, for example national, and “bottom” institutions, for example local, *need to be consciously collectively controlled by the members of the relevant group, their relevant “grass roots.”* Note the usual presentation of “bottom up only” assumes that local institutions *can* be collectively and cooperatively controlled by all their members, while national institutions *cannot*. It therefore holds that large institutions must become bureaucracies separate from, and in general opposed to, the large group they claim they represent. This is exactly their position on the national state – it not only is, but necessarily must be, the enemy of any process of radical social and human transformation. Such a position precludes the socialist goal that humans become the subjects of their own history by collectively controlling all groups they are part of, *including “top groups” that they are part of.* *As such, the “bottom up”* ***instead of*** *“top down” position, the “local only position,” notwithstanding the progressive intentions of many of its advocates, is a thoroughly anti-socialist position.*

10) Finally, I want to end with some discussion on the goal of “coop autonomy.” Coop autonomy certainly does not guarantee a transition to socialism. First, history has shown that conclusively. But even theoretically, if coops are autonomous they can choose production for profits, choose to reject having community concern, etc. Extending this point, even if we had “associations of free producers,” whatever that means, by the definition of being “free” they too could choose to produce for profits, etc. Making it personal, if I bring up my child to make choices for himself, he may indeed make choices that are not in his self-interest, as perceived by me, and maybe even as perceived by him. That is the nature of autonomy, that is the nature of “freedom,” by definition it cannot guarantee the transition to anything in particular.

So my first point here is I argue that autonomy for the workgroup is a ***necessary but not sufficient*** *condition for socialism*. It is necessary because of what I have argued about the goals of socialism. Self-determination, autonomy, ***is*** a goal of socialism, it is part of human development. It is not sufficient for building socialism for the reason just argued, by definition the group is free to do whatever it chooses*.*

But then I want to go further conceerning autonomy. When cooperativists think about Mondragón or any small coop anywhere, they say they want the coop to be “free” to set its prices, set its wages, etc. If some state like the USSR does that, cooperativists say that robs the coop’s autonomy. *But of course, no coop or even any private business is free to set prices and wages.* Those are determined by the market (which as we noted is determined both by the competition of capitals and by the capitalist state). If a coop sets prices above market prices, they will not get customers. If the coop sets total remuneration above market wages they likely cannot be competitive. The bankruptcy of FAGOR should make clear that coops do not have autonomy in wage and price setting, nor in many other economic decisions.

My argument is that a coop should have autonomy to set all the things that should be determined by the local workgroup, as part of the individuals in the coop collectively controlling all the institutions they are part of, in this case this part of the economy. But the individuals in the coop are also members of their region and the nation, and some economic decisions need to be made on those levels. Again, if a coop makes decisions that should be made by a larger social group, *that coop has disempowered all individuals not in that coop to collectively control the economy they are part of*. Say every coop sets their own wages and then competes for workers. Now instead of everyone having a voice in determining wages, wages are set by the particular coop that set theirs lowest, by the need to compete for workers. So wages for your group are set by another group that you are not part of.

To conclude this point: coops like Mondragón make many decisions about their operation. They do so in a background set by the competition of capitals and the capitalist state, i.e., capitalism. *The proposal here* is to expand self-governance of the economy by having those “background” decisions also be made by the individuals affected by them, by appropriate social economic bodies at levels above the coop, *state planning bodies at various levels as part of comprehensive planning****.***

I will *not* try to indicate what economic decision would be made at what level, but I want to quickly give a list of more than 30 economic decisions that need to be made for an economic enterprise to operate. I argue that looking at this list one can quickly see that collective self-determination suggests some of these should be made at higher levels than the coop for the goal of collective economic self-determination by the members of society.

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**Category 1.** Relationship of the workplace to its external Environment (e.g. Other Workplaces or the State)

Investment

Financing

Budgeting, expenditures and purchasing

Pricing

Distribution of earnings among investment, dividends, reserves, bonuses, and so on

Wage, salary and benefit policies

Production planning (quantity, quality, and type of product)

Research and development

Product and service distribution

Staffing levels and distribution of workforce

**Category 2.** Relationship of Workers to Owners and Managers within a Work-place

Hiring and firing

Discipline

Promotions, evaluations, and training

Transfers and leaves

Internal information and communication systems

Administrative procedures and rules

Organizational form

Wage and salary structure

Extent and nature of supervision

**Category 3**. Relationship of Workers to One Another and to the Physical Environment of Work

Quality control

Working Conditions

Methods of remuneration

Maintenance of machinery and equipment

Work methods, work speed, task ordering, job division, job rotation, variety of tasks, and so on

Scheduling

Work distribution and assignments

Type and level of interaction among workers

Employment of technology

Incentives

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(from Linda Fuller, *Work and Democracy in Socialist Cuba,* Philadelphia: Temple University Press, 1992, p 6)

Conclusion. I believe that introducing cooperatives into the non-state economy, *at this particular moment in Cuba,**will further its project of building socialism*. But they will help that project only if introduced in a way that indeed supports building socialism. Because this talk is being given to a group of people largely favorable to coops and because of the short time, *this talk has not at all argued why I think introducing coops is a good idea*. *It has entirely focused on some, not all, of the conditions in which they must be introduced, because some, not all, cooperativists do not appreciate, or even agree, with these considerations.*

In summary,

i) all decision about coops, like all other economic, social and political issues, must be made on the basis of if they will promote or harm building socialism,

ii) a state is needed at all levels by the nature of the socialist project of humans becoming the subjects of their own history, there is no way any collection of workplace bodies like coops can do that and replace the state, as some cooperativists argue,

iii) *comprehensive planning at all levels is necessary for socialism*, that is, *humans controlling the economic institution they are part of*, and again coops can’t do that,

iv) coops, suitably mandated, could be the form for making decisions that are suitable for the internal operation of *productive enterprises****.***

v) ***Coops could in effect have no important differences from how workers’ control of state enterprises was supposed*** ***to work in earlier ideas on socialism*** (and so far never has). ***The essential aspect of coops for socialism is that they provide the cooperation that socialism requires, at one level of economic self-governance.*** ***At this point, with their members also controlling the rest of the economy, unlike in coops under capitalism, they would be one concrete possible form of “associated free producers.”***

1. For this work the specific nature of the planning is not important and will not be discussed beyond this footnote. Comprehensive planning is comprehensive in two ways. First, it obviously implies planning at all levels – national, regional, local and workgroup. Less obvious, it implies planning of the whole economy, regardless of property forms. Specifically for Cuba, besides the state sector of course being planned, the cooperative sector must be planned for as this work will indicate, and beyond that even the private sector needs to be included in the social planning. [↑](#footnote-ref-1)
2. Note in passing the state has other roles. The material in this footnote on the nature of markets is not essential to the central points of the talk so it is placed here, but it is related. In capitalism the state also creates the capitalist markets with its specific laws (and force to back them). There is no such thing as a free market, markets are socially constructed objects and preform according to their social construction. Capitalist markets are a link in the circuits of capital through which capital self-expands, its *raison d’ etre*. But there were also non-capitalist markets in slave and feudal societies, markets not involved in the expansion of capital, but essential to the functioning of those modes of production. (Note that these were different from the much more written about capitalist markets in the *niches* of slave and feudal societies, especially in long distance trade of luxury goods, whose goal *was* to expand capital.) Capitalist markets are a specific subcategory of markets, not a synonym. As long as there is both a division of labor and also some process of exchange according to some concept of equivalence (as opposed for example to distribution according to need, which would need no market), there will be markets. There will be markets not only in the construction of socialism but, in Marx’s view (see the Gotha Program) also in the lower stage of communism (“socialism”), but not capitalist markets. [↑](#footnote-ref-2)