
BOOK REVIEW

Robin Hahnel, *Economic Justice and Democracy: From Competition to Cooperation*. New York: Routledge, 2005, 423 pp, \$19.95.

Reviewed by **Jules Boykoff**, Pacific University

Robin Hahnel's new book, *Economic Justice and Democracy*, is an ambitious work of political history, a cogent critique of capitalism and its main contenders, and a visionary venture vibrating with hope and possibility. As such, it is a crucial book for our contemporary moment.

Hahnel, a radical economist who teaches at American University in Washington, DC, has a long history of deep commitment to the anti-capitalist cause, both as a scholar who envisioned and elaborated "participatory economics" as a viable alternative to capitalism, and as an activist involved in a wide range of social movement organizations. According to Hahnel, the book's main argument is that progressives need to "rethink how we conceive of economic justice and economic democracy. Until we face this intellectual challenge squarely it will continue to sabotage our best efforts to combat the economics of competition and greed" (4). The author engages this "intellectual challenge" with originality and vim.

The book is divided into four parts, comprised of fourteen chapters and a postscript by Noam Chomsky following Hahnel's chapter on libertarian socialism. In Part I—"Economic Justice and Democracy"—Hahnel compares competing conceptions of economic justice in the context of unprecedented global inequality, as well as "economic inequality inside the US reminiscent of the Robber Baron era of US capitalism" (18). He also critiques the definitional promiscuity surrounding the term "economic democracy,"

exploding the all-too-common conflation of economic freedom and economic democracy and ultimately eschewing the term in favor of “economic self-management,” or “decision making input in proportion to the degree one is affected by different economic choices” (53-54). Hahnel also identifies a number of myths that have historically plagued the left, including the belief that “capitalism’s dynamism and technological creativity would prove to be its undoing as well as its strength” due to internal contradictions (58) and the notion that the professional managerial class would inevitably melt into the working class (64).

Such constructive reflexivity is one of the book’s greatest strengths. Part II of the book—“Rethinking Our Past”—continues this path of critical self-reflection, tacitly paying heed to Marx’s famous admonition that “to leave error unrefuted is to encourage intellectual immorality.” First, Hahnel zeros the reader’s focus onto the two dominant economic systems of the twentieth century: capitalism and communism. As for capitalism, Hahnel asserts that it “aggravates prejudice, is the most inequitable economy ever devised, is grossly inefficient—even if highly energetic—and is incompatible with both economic and political democracy” (75). Such comments mean more from the pen of an economist, especially when he proceeds to critically dissect capitalism in jargonless language, as he does in this section. In practice, communism’s central planning fares little better in Hahnel’s eyes, but “while the fatal flaw in capitalism is its antisocial bias, the fatal flaw in central planning is its antidemocratic bias” (94). The author focuses on lesser-discussed critiques of central planning such as its authoritarian tendencies and its penchant against self-management. “In the end,” he writes, “communist parties sacrificed economic democracy along with political democracy in the name of economic justice and efficiency they never delivered” (106). Hahnel concludes Part II with two detailed, historical chapters that are critical reflections on what he views as the failings of two alternatives to the dominant economic systems in the twentieth century: social democracy and libertarian socialism. These chapters, while historically rich and productively reflexive, sidestep the importance of state repression in the relative lack of success experienced by social democrats and libertarian socialists. While the author admits up front that he has chosen to focus on the “intrinsic weaknesses” and sectarianism of these movements rather than “unfavorable external factors” such as repression (3), a deeper interrogation of the state’s efforts to quell movement toward social democracy and libertarian socialism would make a strong analysis even stronger.

A humanistic pulse thumps behind Hahnel’s political and intellectual understanding of social transformation. A visionary, Hahnel spends the second half of *Economic Justice and Democracy* exploring alternative economic possibilities and offering concrete ideas for how to promote and implement them. In Part III—“What Do We Want?”—Hahnel first offers critical evaluations of a variety of alternatives to capitalism, from market

socialism to community based economics to democratic planning. He then goes on to delineate the features of “participatory economics,” the democratic system of planning he devised with Michael Albert. Hahnel grafts important ecological elaborations onto the “parecon” model, as he explains how a participatory economy could enhance environmental stewardship through diminishing hyper-consumerism and averting unproductive growth. He also elucidates how the participatory economics model could—without sacrificing its fundamental values—benefit from international trade and investment. Lastly, he responds in full to a number of concerns that constructive critics have leveled against the participatory economics model.

In the final section of the book—“From Competition and Greed to Equitable Cooperation”—the author offers concrete, grounded ideas for the transition to a more equitable future. A realist, Hahnel acknowledges that a participatory economy is a long-term project that will be realized more through hard-fought reform movements than by capitalist collapse or capitulation. He states, “I believe overcoming commercial values will take time, but growing awareness of the consequences of relying on competition and greed and the advantages of equitable cooperation will prove decisive. I believe we will have to create imperfect pockets of equitable cooperation in the midst of global capitalism, and learn how to improve them, expand them, and connect them with one another” (254). He proceeds to proffer concrete ways to engage in economic reform without losing sight of the long-term goal of supplanting capitalism with a new system based on equitable cooperation. At the same time, Hahnel realizes that not only must political-economic structures be altered, but also the cultural mores that are rooted in quotidian human interactions. As Hahnel puts it, we must collectively forge “the new habits necessary for people to transcend the culture of competition and greed that capitalism breeds. This is the only way to test and adjust our ideas about how to better organize our economic affairs. This is the only way to convince a majority of the population that a better world is possible. And this is the only way to prevent activist burn out and sell out over the long march” (11). He also suggests how anti-capitalist activists can build more dynamic, mutually beneficial relationships with other social movements working on civil rights, anti-racism, women’s rights, GLBT rights, environmental and peace issues.

Although written by an economist, *Economic Justice and Democracy* is devoid of supply-and-demand curves, technical graphs and functional equations, and, as such, this book demands an audience beyond professional economists. This book should be read widely by socialists, feminists, environmentalists, anarchists, and the manifold combinations thereof. Rather than cramming human values and experiences into the stiff, cold categories of economics, Hahnel presents economics-based inquiry that is thick with political history. Such wide-ranging, self-critical inquiry inspires deeper

interrogation of both the structures of capitalist hegemony and the ways in which such hegemony can ultimately be ruptured.