

a selected chapter from

THE ASSOCIATIVE ECONOMY
Insights beyond the Welfare State and into Post-Capitalism

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[An overview of this book](#)
[Complete text of Chapter 13](#)

Chapter 11 BEYOND CAPITALISM?

1. Social Democracy, the Political Left in General, and Planning
2. 'Alternatives' to Capitalism? A False Problem
3. Planning as an Essential Condition for the Passage to a 'Welfare Society'
4. Social Bargaining, or Negotiation, as a Premise for Planning Efficiency
5. The Crisis of 'Entrepreneurship'
6. Towards the Institutionalisation of the 'Independent' Sector

[To Order This Book](#)

1 Social Democracy, the Political Lefts in General, and Planning

It is curious that during the most recent debates for or against the Welfare State¹ about the nature of its 'crisis' and the recipes to revitalise or transform it, nobody remembered the prophecy by Myrdal (recalled at the end of the preceding chapter) and nobody - remembering Myrdal or not - mentioned his recipe in order to avoid that crisis: the progress of social planning, as a modern tool of public and political management.

Such a planning, in fact, not only was not considered (as Myrdal did, and with him dozens of genial economists including Ragnar Frisch, Jan Tinbergen, Wassily Leontief, Richard Stone, Leif Johansen, Karl Fox) as the only serious exit from the 'crisis' of the Welfare State; but it is also completely absent, even as a possibility, from the minds of those broaching the theme², almost as if it were an obsolete and outdated solution.³

And it is even more remarkable that now the lack of any acknowledgement of the need for planning is even more manifest among political, social and intellectual circles who seem the 'official' supporters of the Welfare State (social democrats, trade unions, the 'left' in general), than among the traditional conservative Right supporting laissez-faire and free trade.⁴

All this indicates that the traditional Left prefers potentially 'unlimited' Welfare State, but one potentially also on the edge of bankruptcy, rather than a Welfare State which 'can keep its accounts' with resources (*via* planning), and assumes responsibility for alternative choices in the social consumption it provides, which would lead it to a lasting, healthy and 'sustainable' management. Doing thus, they demonstrate faith in 'political laissez-faire', in which the adjustment of resources and the decisions on limits takes place on the basis of the principle of laissez-faire and power clashes, more than do conservative forces, traditionally supporters of the laissez-faire.

On the other hand, the whole debate about the welfare state in the recent years has still the old, obsolete and boring flavour of 'déjà vu', and seems to be stuck in the old, decrepit quarrel on yes or not to state interventionism, and - within the Left - between reformers and radicals (or «maximalists»), without being able to grasp the signs of a management reform of the state (which is called *strategic planning*), that goes well beyond the mentally narrow terms of that age-old dispute. What is most disappointing is that the academic circles and literature (which unfortunately has lost in average quality in parallel with its quantitative growth) tend to be the spokesmen - in a cultured

version - of these quarrels, rather than refine methods and techniques of public management, able to really renew the quality of public choice.

Planning continues to be seen as a «technocratic» tool of the central power against the freedom of choice of individuals and groups. Coming this together with the recent crisis of the Soviet system, where economic planning seemed nominally to dominate (yet what kind of planning was it really?), it is not surprising that it became a politically «dirty word», and that thus the politicians, but unfortunately also the academics more or less «susceptible» to political fashions (or worse, those that introduced political fashions into the universities) carefully avoid uttering it, even with reference to its true and authentic concepts.

Yet it is impossible to escape the essence of things: and maybe with other names⁵, planning must be the line of advance of public management, from the level of single public agencies to the level of co-ordination among them, up to the level of co-ordination between the public agencies and the agencies of the private and/or public realm, on the national and the (today more and more pervasive) international level.

I will discuss later in this chapter the increasingly indispensable relations between the management of the welfare state and planning policy; and in the last, summarising, Chapter 13 more generally about the role of planning policy in the historical renewal of the methods of political and economic management. I would like to emphasise here that most debates in political science, still linked to obsolete frameworks, seem to me a sign of the antiquity of the current debate, compared to a real 'frontier' approach to the topic. For example, the debate on the 'alternatives to Capitalism'.

2 'Alternatives' to Capitalism? A False Problem

The debate on the alternatives to capitalism recalls very wide and rich debates from the last century to ours. From the utopian thinking to the socialist one, in all its variants, from all visions of a «intermediate» society, liberal-democratic, liberal-socialist, corporative, (fascist or catholic) itself in many versions, and so on, since ever (I would say since its birth and its «modelling», undertaken more by its adversaries than by its supporters) *alternatives* to Capitalism have been sought.

Yet the very concept of an «alternative» smells musty. It shows traces of an 'ideological' approach, since long time rejected in words, yet hardly abandoned in deeds. It seems almost to have the force of a paradigm. And if the paradigm is not transformed, hardly we will avoid false problems today.

And yet, today and most intensely during the last decade in the face of the crisis of communism and of the so-called 'real socialism' countries, the tendency to loose time around the question of whether there are serious 'alternatives' to capitalism is still very widespread.⁶

But by approaching the problem in this way, one is very far from the critical spirit which pervaded the present essay, which is inspired by what in earlier times (not very precisely) would have been called 'historicism'. Capitalism, and the 'market' as well, (being a further «mystified» conceptual entity mistakenly assimilated to the former) do not, and cannot, have any 'alternative'. In the same way as any other phenomenon in the history of humanity cannot, for which we - as professional or amateur historians - have invented a term in order to classify it and give to it a meaning relatively to the continual magma of events. Nobody would try to discuss alternatives to Feudalism, to the Renaissance, to Enlightenment, to Nationalism, and so on. What is disputable is the property of the terms, which systematically have for some a wider and for some other a narrower meaning; thus also 'capitalism' and the 'market' have infinite historical nuances, manifold dating, and many meanings as well, and hardly generate alternatives, if not in the course of events.

When and where can capitalism be said to be really born? And can it be said when it really died or will die? All is conventional. And we owe the most refined visions of this to the producers of interpretative frameworks, rather than to the historians, obviously tend to disintegrate, to crumble and to scatter any conceptual unification (and thus periodization) of this kind.

The ground is even more dangerous when these concepts are set against their alleged opposites, such as: Capitalism vs. Socialism; Central Planning vs. the Market; or further derivations, such as: Capitalism vs. Central Planning, and the Market vs. Socialism.

Yet history - the recent as well as the less recent one - should have taught us for a long time how fallacious these oppositions are; and on the contrary, how a wide and diffused mix of characters has for a long time characterised and predominated in the evolution of contemporary industrial societies, to the point that it stimulated many authors to present 'transversal' interpretations, as an interpretation and classification of 'economic systems'. For example, the interpretation of Rostow (already considered in chapter 2) who, leaving aside of the 'social-economic systems', has laid down the periodization and the reading of the different «economies» by attributing to them a 'stage of development'. Or the well-known one by Kerr, Dunlop, Harbison and Meyer (1960) who proposed and applied, *industrialisation* as a key to the interpretation of the 'social-economic systems', (which was considered in Chapter 2 as well).

To the point that have been suggested - instead of transversal interpretations such as those just recalled - synthesising interpretations: for example those of the 'mixed economies' (in the western world) or of 'market socialism' (in the socialist world). These are interpretations and readings which showed themselves to be strongly anchored also to the persisting will to start from schematics of functioning (possibly called 'economic systems', which on both sides have been made obsolete by the

development of things).

In sum, the very approach alternatives to Capitalism sounds mistaken. The real problem is to grasp (beyond the oppositions) some common trends which emerge in the different societies, still more or less national, and more or less belonging to historical 'blocks' (themselves decaying) such as: capitalist countries, with marked differences among the US, Europe and Japan; former Communist countries, with marked differences between more or less advanced levels of privatisation; developing countries, with marked differences between the newly industrialised countries and the others.

The real problem - beyond the eternal comparative analyses that by nature tend always to emphasise more the historically insignificant (and thus useless) differences rather than the growing historically significant (and thus useful) similarities - is to be able to grasp among these similarities those that mark a force that I would like to call 'historically hegemonic', which can enable us to understand, and thus to govern, the future.

3 Planning as an Essential Condition for the Passage to a 'Welfare Society'

Coming back to the relation between the Welfare State crisis and societal planning, we cannot ignore the widespread justification, amongst certain circles of the militant Left, for the non-conception of a Welfare State which would introduce methods of negotiated planning, which is that it would nevertheless be 'capitalist' planning and a capitalist 'welfare state'⁸. There is undoubtedly some truth in this theory, which we have developed here in chapter 9, paragraph 1.1, when we reflected on the origin and development of the Welfare State as an operation for 'compensation', and to a certain extent, safeguarding of the harm which the development of free market forces tends inevitably to produce.

But the transition from a 'planned society' to a 'planning society'⁹ will not take place unless processes and procedures are introduced and simulated which get the social and political subjects - whether rulers or non-rulers - used to governing their choices better and to achieve this by adopting the method of 'planning by learning', which is very bound up with 'learning by planning', and which is more than just a mere play on words.

3.1 On the So called 'Failures' of Planning

It is true that between the time that Myrdal thought that progress should be made 'beyond the Welfare State' by means of planning, and today, there has been a disappointing experience in almost all European countries.

But how can this experience be taken seriously? This experience - on the failure of which there has been a vast unanimity of judgements - has been variously interpreted; but many quite rightly consider it fairly insignificant, precisely because it was so short-lived, inconsistent, rapidly achieved, that it hardly can be considered a true 'experience', historically effective, but only an attempt to introduce, more orally than by action, a method of government which did not find a serious modality of implementation.

Politicians and political scientists have long squabbled over the causes of this; but the fact remains that it is not possible to seriously assert that something 'failed', which never existed¹⁰.

Also, from the technical point of view, the methods of governments (and the related discussions) have drawn more from the national traditional baggage of 'economic policy', with its macro-economic models, and its aggregated econometric models as tools, rather than from more recent planning technology, whose 'culture' is hard to introduce. A sign of this is the fact that some developments of such technology, achieved on a scientific basis, especially in some departments of planning offices in some European countries, but also in university

research programmes, are still being ignored even in the official economic culture milieu of some countries¹¹.

We will not go too far in the question of the modest significance of European economic planning experiences between 1960 and 1970¹². But it is important to recognise that it is perhaps through these and their 'failure', that the debate on the solutions to be given to the problems of the Welfare State tend modestly to evade the only real way in which one could provide an adequate solution to the need to distribute the benefits of technical progress and productivity in terms of income and reduced employment, without making recourse to an increase in the financial role of the state: namely through a systematic planning process¹³.

Such evasion becomes more significant when attention is turned to the numerous aspects of perverse malfunctioning of the Welfare State, and when, it is suggested, that its defeat can be achieved by a 'de-etatisation', for which it will be necessary to measure costs and benefits: a measurement, however, which is impossible without the value parameters provided by a national planning procedure¹⁴.

Furthermore, the fact that no mention is made - on the subject of moving on from a 'welfare state' to a 'welfare society' - of the fundamental need for planning, depends also on the persistence of an archaic planning concept, understood as being an instrument of state 'authority', or rather of a central power, which stifles the initiative and the self-government of groups and the 'market'.

Nor is it to be excluded that the silence surrounding the need to plan, depends on the discouraging evidence (this indeed historically effective and significant) given by the economies of Eastern European Communist countries, where planning was very much at home; despite the fact that many writers have always - with admittedly excessive simplification - distinguished 'western' planning (denominated 'indicative', especially in France and Great Britain, whereas in Italy the improper name of 'programming' was coined in order to ensure a

good distinction) from the 'authoritarian' one of 'collectivist' or 'centrally planned' countries.¹⁵

In the ephemeral search for 'success', even words have a part to play; and woe betide all those who would use words which recall failures. But, despite the semantics of the political market, nothing changes: and the expected passage from Welfare State to Welfare Society is unattainable without a appropriate planning (on the basis of which are constructed the scenarios capable of making it possible and operational).

Certainly, the planning, to which we refer to is not - as has been said - the archaic mechanism of decision-making and centralised command, which the whole economic system must obey, albeit with a certain degree of freedom within its own structures. Planning, in the modern sense, is an instrument for the analysis of consistency and for co-ordination (see phrase quoted from Myrdal) between multiple decisions, within one public agency or more, with the aim of orienting and conditioning (with the most varied direct or indirect means) towards situations and scenarios deliberated by the people concerned, scenarios which have been judged to be technically feasible and the most politically preferable by the appropriate decision-makers involved.¹⁶

The fact that there still persists, for various reasons (some of which are also pretexts), an archaic conception of planning does not say anything against the need to recognise its indispensability in overcoming the crisis of the Welfare State (even if something could be said about the credibility and information of those who still today cultivate such an archaic conception).

3.2 The Fundamental 'Operations' of Planning: Income and Labour Mobility Planning

If, in the more forceful 'comprehensive management' of social and economic progress on the part of the collectivity, and in social policy which is more aware of the politically preferred

scenario (in other words in a more forceful social planning), we recognise the condition for overcoming the crisis of the Welfare State, then the operational pattern for a passage from a Welfare State to a 'Welfare Society' has still to be outlined.

The discussion focuses - as has been said - on the determination of *how* (to what extent, and how it is to be formulated) to release a certain, qualified, redistribution of real benefits of increased productivity - to be hypothesised and/or programmed - in the economic system considered in its single components and sectors of production.

Such redistribution of real benefits will be carried out, as is known, by way of the purchasing power of the (monetary) incomes in different social sectors: and it is, therefore, to a '*real income*' policy, or better still, a '*planning*' policy for these sectors, that we will refer to here, when we mention (planned) 'social policy' of such redistribution.

It is essential therefore to arrive at such income planning¹⁷, with the obvious 'concert' of the social parties, in a process which I have elsewhere called 'planning collective bargaining' (by analogy with that which would substitute and integrate at the same time: 'market collective bargaining', in practice more widely and more uselessly today)¹⁸. Such income planning should contribute to the guidelines for all intervention, public and private, or only public, when aimed at correcting the effects of private intervention.¹⁹

From the 'jungle' of remunerations and incomes, a 'cultivated' system of these there should be reached, even if only 'indicatively', so as to give flexibility to the system and by virtue of concerted assessment of the social and economic value of the different job positions (thus eliminating circumstantial and irrational privilege). Workers Unions - especially in their unitary and confederate forms - should give a decisive and deliberate contribution to the preparation of such an 'income planning'.

The other *pivot* on which the operational pattern of planning should turn in order to pass from Welfare State to *Welfare Society*, should be - as already mentioned - the redistribution of

