The antiglobalisation, anticapitalist movement is frequently asked for its alternative, given the failure of the Soviet model and the alleged absence of anything else. Michael Albert’s latest book offers an answer. To critics who see the construction of visions of the future as dangerous utopianism, he correctly replies that models of a possible better world are needed to guide present action, and it therefore matters which model we subscribe to.

Since the collapse of the Soviet Union, three categories of well-developed models of postcapitalist economic organisation have been proposed: market socialism, in which private ownership is replaced by some form of state or co-operative ownership, but market forces are retained as the way in which the activities of the different enterprises are coordinated \textit{ex post}; electronic socialism, in which modern information technology is used to co-ordinate all economic activity \textit{ex ante}; and participatory planning, in which market forces are replaced by the \textit{ex ante} co-ordination of major interdependent investment through negotiation, but market exchange is retained for all other economic transactions. Albert rejects central planning and market socialism and does not discuss participatory planning. Instead, he proposes a model of what he calls participatory economics, ‘Parecon’, which is a hybrid, a form of electronic socialism (although he does not use this term) based on a form of participation.\footnote{In order to distinguish between reference to the book under review and general reference to Albert’s model, the former is highlighted in italics and the latter is not.}

\textit{Parecon} is a welcome contribution to the debate over life after capitalism. It is founded on and seeks to institutionalise a set of values that most anticapitalists would broadly agree with, although not necessarily as Albert develops them – he proposes equity, self-management, diversity and solidarity, whereas Alex Callinicos, for example, prefers justice, efficiency, democracy and sustainability.\footnote{Callinicos 2003.} The book is written with verve and passion. It offers an optimistic vision of a future in which people participate individually and, to some extent, collectively in running their own lives, free from the inequalities of wealth and power that are intrinsic to capitalism. \textit{Parecon} has been widely promoted and discussed and deserves to be taken seriously, not only for its strengths, but also and perhaps mainly for its weaknesses.

The book starts by setting out the values Albert believes in and seeks to justify them. These are then used to evaluate four institutions (private ownership, hierarchical division of labour, central planning, and markets) and four economic systems (capitalism, market socialism, centrally planned socialism, and what Albert calls ‘green bioregionalism’). All are found wanting in terms of their ability to realise the desired values or, in the case of green bioregionalism, because, as he correctly argues, its economic institutions are insufficiently specified for a judgement to be possible.

Having cleared the ground, the central institutions of the model of participatory economics are then outlined: participatory self-management; balanced job complexes; remuneration for effort and sacrifice; nested worker and consumer councils; and an iterative allocative process. There then follows an attempt to convey what daily life in a participatory economy might be like in relation to working, consuming, and linking the two together.
How does the model of participatory economics work? The basic units are the individual, as worker or consumer, and the council – workers’ councils and consumers’ councils. Each enterprise has work teams of various sorts which come together in the enterprise’s workers’ council. Enterprise councils are members of higher-level councils culminating in industry councils. Through their households consumers belong to neighbourhood councils, which, in turn, are members of higher-level councils culminating in an economy-wide council. The nested structure of the councils is designed to enable the handling of production and consumption externalities, collective consumption, and public goods. There is face-to-face social interaction within the different levels of workers’ and consumers’ councils, but not between them.

Within each workplace, work is organised on the basis of balanced job complexes made up of different tasks. The tasks are combined in such proportions that the resulting job complexes of all workers are equally desirable or undesirable, equally empowering or routine. If the balance between desirable and undesirable, empowering and routine tasks differs between enterprises, this is compensated for by workers working partly outside their primary workplace. Since there is no difference between the desirable and empowering attributes of different job complexes, workers are paid according to the intensity with which they work, as judged by their peers, and the hours they work. This is what gives them their entitlement to consumption, to be divided between individual and collective consumption. Those unable to work receive the average entitlement.

At the start of the annual planning process, workers make proposals for what they would like to be involved in producing and for how long they would like to work, together with estimates of the inputs from outside the enterprise that would be required. These individual proposals are discussed and eventually combined into a limited number of alternative workplace plans for the workers’ council to vote on in order to decide what it will offer to produce in the year ahead. The proposed annual plan is then forwarded to higher-level councils, presumably consisting of delegates from the workplace councils, which in some unspecified way deal with externalities and arrive at a proposed plan for the industry as a whole.

Consumers belong to neighbourhood councils, to which they submit their proposed consumption plan for the year, anonymously if they wish. Individual proposals may be queried by the council but cannot be rejected so long as they do not exceed the consumer’s entitlement, with provision for inter-temporal borrowing and saving. Neighbourhood councils discuss proposals for collective neighbourhood consumption, bearing in mind that such consumption is paid for on a per capita basis out of the aggregate consumption entitlement for the neighbourhood and therefore reduces entitlements to individual consumption. An integrated consumption plan is then forwarded to higher-level consumers’ councils, again presumably consisting of delegates, which again in some unspecified way deal with externalities and arrive at a proposed plan for the economy as a whole.

Thus, proposals for production and consumption originate from individual workers and consumers and are then developed into proposals from workers’ and consumers’ councils at various levels. These collective proposals for production and consumption are then brought together to see if they are consistent, through a process Albert calls allocation. This is