

Report of the first online event on „People’s Planning”

Roland Kulke, March 2024

Heinz Bierbaum – Green Steel, European Works Councils & the Necessity for Transformation Councils

We are facing profound transformation processes in economy and in particular in industry due to the big ecological challenges like the climate crisis. These processes cannot be left to the market as the market is not able to solve such problems. A very good example is the current transformation in the **steel industry**. European steel industry has only a future if there is a transition to green steel production using **hydrogen-based technology**. However, the steel will only be green once the hydrogen used has been produced with renewable energies instead of fossil energies. For this transition huge investments are needed which the companies themselves cannot finance on their own. Public money is necessary. But we need to understand that “public money” is not per se “democratic money”. Public becomes democratic only by democratic control. **Without democratic control a state-directed economy is a top-down process and serves only the profit interests of capital.**

What we need is the involvement of the **workers and employees** themselves. They **should not only be objects of social protection** (necessary as it is) **but the subjects of this transition process**. Workers hence must be actors themselves. Their activities, their manifestations and mobilizations in defense of their jobs are the driving forces to the transition to green steel. **A leftwing-concept of social-ecological transition is linked to economic democracy**. That is the difference to other concepts of a Green New Deal or social-ecological transformation. In our conception, the workers, and employees themselves, the works councils and the trade unions play a key role in the socio-ecological transformation. In this context it’s interesting to have a look at the **German** experiences with **co-determination** (“Mitbestimmung”). The effectiveness is limited. There is no economic co-determination; it is limited to social issues. Therefore, this kind of participation is **not sufficient**. A certain exception is the parity of capital and labor in the supervisory board of

big companies and groups, which offers the workers some influence on the corporate policy. However, it is not a real but a false parity with the dominance of capital. Industrial or **economic democracy presupposes that the workers have an influence on the company policy**. This is crucial.

In left-wing debates on European policies, over social-ecological transformation and industrial policy, **European Works Councils** are hardly ever mentioned. The EWC's are the only trade union institutions on shop-floor level. We know that they have limited rights and very often a weak practice but nevertheless **they could, and they should play a major role in the transition processes** (Heinz Bierbaum text: "[European Works Councils \(EWCs\) – An Underestimated Institution](#)")

Transformation Councils as the central tool for People's Planning

Transformation on company level needs to be embedded in industrial policy. That concerns the entire sector, but also the **regions affected by the transformation** processes. An active industrial policy is necessary providing regional structural measures. The economic activities should serve the development of society. And what kind of activities, *what, how and where to produce should be decided democratically*. In this context, the concept of **transformation councils** is of interest, although this concept is not very well developed. We need a serious debate regarding three different elements regarding transformation councils: *their composition, their rights and their relationship to elected political representatives*.

Claire Lejeune – lessons learned from past debates on democratic economic planning (DEP)

The modern discussion on the relationship between market and state intervention and planning is as old as the works of **Adam Smith**, who "naturalizes" the role of the market - or more recently of course **Karl Polanyi**, who in reverse "denaturalizes" the market and stresses its political nature. The idea of a natural harmonizing function of the market could no longer hold us as the 20th century wars and crises shook modern societies. However, if we look closely at the topic of

“economic planning” than we realize that **very different regimes of public economic planning coexisted**: some radical, presenting planning as an alternative to markets and capitalism (for example in **Otto von Neurath’s** work), others more “pragmatic” and compatible with liberalism and aiming to uphold market conditions. One of the most prominent examples was **Roosevelt’s New Deal** in the 1930. *[for an excellent political discussion on Roosevelt’s New Deal and what left actors today can learn from it, please refer to the English translation (sponsored by transform europe) of Steffen Lehndorff’s book “‘New Deal’ means being prepared for conflict - What we can learn from the New Deal of the 1930”, [on the webpage you can find the full pdf](#), please consider a donation the publishing house VSAJ].* The New Deal period is a prime example of “**pragmatic planning**”. As leftists we are of course aware that Roosevelt’s New Deal was meant to save capitalism, including private property, not to overcome it.

The **French context** since the fourth Republic (under de Gaulle since 1948) is marked by diverse public planning practices, some more democratic than others, hence some more receptive to potential and real democratizing of the economy.

After long decades of neoliberalism, we now enter a new era of “polycrisis”, defined by an incredible amount of state intervention in the supposedly free market. The USA are leading this trend with their “**Inflation Reduction Act**” (IRA), but also the **EU Green Deal** and later the “**Next Generation EU**” with the “Recovery and Resilience Facilities” in the EU channel hundreds of billions of Euros in the economies.

Can the Left now lean back and say: “Yes, we won the ideological battle”?

Reality unfortunately is not like this. The current balance in the Western capitalism countries is better described as **neoliberal green planning regimes**, focused primarily on (partially “greened”) growth – and we might add to it: growing authoritarianism. So, no, the left has not yet won the ideological battle on DEP. We also must be aware that the **current push towards planning is influenced by geopolitical tensions vis-à-vis China, making the climate issue a question of competition and security, more than a question of global cooperation and justice**. We hence have a situation where the **authoritarian right uses green(-ish) economic planning to secure profits**, not to guarantee a good life for everyone. This situation has been vividly described by

Daniela Gabor with the slogan of the “Wall Street Consensus”, where public money is not used for a democratic economy but for de-risking private investments [see *Angela Wigger’s* recent paper for transform europe on a comparable description for the EU-economies: [*“The New EU Industrial Policy and the Hidden Costs of Crowding in Private Investors: An Urgent Call for the European Left to Champion Discussions About Alternatives Futures”*](#)]. Like Heinz said before: a truly left concept sets the worker in the center of planning.

Discussion with participants:

In the discussion questions came up like:

- How can DEP fight the feeling of anger and powerlessness of workers and citizens?
- Would the market still play a major role in a DEP economy?
- We know that EU’s Green Deal and USA’s IRA are clearly not DEP models, but can there still be potential inroads we can use to pushing for a more democratic economy? Can we use these policies to initiate projects which look apolitical, but which could have potentially bigger and structurally changing impacts?

Contributions:

Regarding the relationship between market and planning it is clear that **we will need markets also in future, but inside a democratically controlled environment**. Workers in the fossil industries rightly feel left behind. This is a marker of the failing of “Just Transition”. **The “just” dimension comes only as an afterthought nowadays**. The current transformations aren’t secure for the workers and their regions. The states must come in here, to ensure the safe shifting between sectors for the workers. Training and funding must also be provided by the state. There is no backlash against climate policy by the people, but what is happening right now is that **we have not set a clear path to get from fossil point A to a deeply green and DEP Point B in a secure way for the people**. For the role of the markets the question of scale is important. Markets have been scaled up to the global level which makes democratic oversight impossible. Markets



must be downscaled; we must end the current system of globalization. We should perceive the **US-IRA and EGD are a kind of breaches into the wall of neoliberalism**. This is result of activist work. The fact that Von der Leyen called out the GD in Dec 2019 is based on the street protests of the youth. Another factor for her discission is that that climate crisis is snowballing with effects into the economy. So **how can we use these breaches? We can't lean back and say: oh, the state is back.**

We need processes and tools to support democratic planning beyond firm level and municipal level with participatory budgeting.

We need to put two ideas in the centre of our attention: **a) transformation councils, and b) security for workers**. To achieve this, **we need** “stable dual powers in the workplaces”, as a **reinvention of the soviets, with workers councils inside firms, and today also the regional habitants.**

The question of democratic planning to capitalism is often perceived as part of a “mixed economy”, not overcoming capitalism. But **real economic democracy** goes beyond the capitalist system. Hence it is **a way forward for a socialist transition. But it starts in the system we are living in**, it starts inside the capitalist system. The state is back. **With trade unions it is always the same: in times of crisis we see a renaissance of economic democracy thinking, but afterwards it is forgotten.** We need to make it permanent.

The next question is the one on **property**, because how can the workers have influence on the company policies and how can it be connected to industrial policy? And this is the question of property. And we see this clear in the energy sector, where we know that we can't solve the problems without public property.

The French context in the post-Gilets-jaunes situation Macron initiated the citizens council for climate, chosen by “**sortition**”. 100 citizens were chosen, and they worked together for month. The result was a rather radical outcome. Macron betrayed his promise to implement the recommendations of the citizens council. This example shows that transition and democracy go hand in hand, when you give people the **time to deliberate and the adequate knowledge** on the specific context. Only after this episode, the government came up with the idea of “planification



ecologique”, which was historically always supported by LFI. **The citizen climate council proves that democratic planning is possible on the national level. We need to discuss how this could be connected to permanent planning institutions.**

What is different today to the past with the “soviets” is that today we can’t isolate clearly the workers functions from the consumption and mobility function for example. All these constitute our identities. Workers as consumers, as human beings, all these different aspects must come in ways, which differ to the socialist past practices.

The worker’s council is easy to construct, but this is not the case with **transformation councils.** The latter one needs to **involve the civil society.** This is an **unsolved problem. It is not easy to have a relation between the inside works-council, and an outside neighborhood and civil society,** as they have very different interests. And this is one of the big problems concerning the composition and the rights of the transformation councils.

What about workers reconversion, like the **Lucas Plan** in UK. Social struggles currently in Florence with **GKN auto parts.** What about these ones? Can the European Workers Council be a solution here somehow, too?

In the **food sector** the problem is the monopolization of the market and also speculation in the market. Do we want **capital flow restrictions inside the EU?** The EU single market is build on four so-called freedoms, one is the free movement of capital. How can we deal with this challenge as the **free capital mobility is secured inside the EU.**

Summary of this event at the end by Roland Kulke

We have seen this evening that the field of EDP is open. I feel much better now, intellectually equipped and also from the perspective of the movements than some years ago.

Don’t get fooled by discussions like on which level should we plan. Are we allowed to plan in the neoliberal EU, are we allowed to plan in capitalist states? Is this possible at all? How much plan, how much market should we aim at?



Just don't get to this. We have seen in the last years: if capitalism is attacked, everything is possible. The Next Generation EU Fund with more than €800 bn (!) in common debt, taken up on the financial markets by the European Commission in the name of the EU-Member States. Who would have thought to live long enough to see this development some years ago? It would have been a pipe-dream only a few years ago.

Much is possible, when only we put pressure on the elites. The EU's Green Deal exists only because children, Fridays for Future, were on the streets – that's it. We learn: organize some demonstrations and you get a Green Deal. Not the *Radical Left Red & Green New Deal* many of us fought for, but what a first into the right direction.

We see: history is (still) open!

Hence: we hope to see you at the next meeting! Let's stay in touch, once more many thanks to Heinz und Claire, and to all participants and people who took the floor.

Recommended literature which was mentioned by speakers of by participants

- Cédric Durand, Elena Hofferberth, Matthias Schmelzer: Planning beyond growth, The case for economic democracy within ecological limits, in: Journal of Cleaner Production, [Volume 437](#), 15 January 2024
- Monthly Review Volume 75, Number 3 (July-August 2023), title: Planning for De-Growth
- On trade union demands for the coming EP-elections, see Enrique Carmona: "[Is There Still Hope for the Working Class?](#)"