

A SHORT NOTE ON CONSUMER LED PLANNING.

Marx and Engels described socialism as being based on associated producers owning the means of production in common. In such a society, the labour of the individual producer would now directly and immediately be part of the labour of society. They also recognised that such a society, which had abolished the market as the regulator of production, now had to be consciously planned. Taking these propositions into account, theorists who succeeded Marx and Engels have assumed that planning would be conducted by the producers themselves or what is the same thing it would emanate from within production itself.

This assumption is deeply flawed. In a socialist society, each producer contributes to production a specific form of labour. It could be the labour of a steel worker, a computer programmer or a farmer. There are tens upon tens of thousands of concrete forms of labour, or what is the same thing, specialised forms of labour which together make up the international division of labour resulting in the myriad of products available for consumption. Very few workers contribute more than one form of concrete labour.

On the other side, each producer consumes part of this division of labour. Every time consumers fly, for example on an Airbus 380, they are flying on a plane that has approximately 4 million parts produced by 1,500 companies in 30 countries. A car has over ten thousand parts and a smart television has over 100 major components. Today most products contain elements mined and produced on every continent of our planet. In the future, an average producer will contribute a specific form of labour, say a block of 1500 hours per annum (ignoring deductions), in return they will receive back an equivalent 1500 hours of diversified labour comprising fragments of labour provided by tens of thousands of different producers. This is the labour found in the variety of products they will choose to consume each year.

It therefore follows that planning can only be done from the consumption side – the generalised side. Production needs to be organised from the consumption side, not consumption organised from the production side as was the case in the Soviet Union. In any case the whole evolution of capitalism supports this proposition. The most successful corporations are the ones most sensitive to and responsive to the needs of their consumers. While advertising seeks to encourage consumers to buy a designated product, a good marketing department seeks to investigate the changes needed to make that product successful and keep it successful.

In a capitalist society, production divides society which is then re-united only through the market. The result is that a chasm exists between production and consumption, bridged by the law of demand and supply. As the opposing cliffs keep oscillating so the bridges that span them flex, shift and reshape. Supply responds to changes in demand and demand is itself influenced by the changing conditions of supply. It is a turbulent process littered with waste and duplication. It is a fundamentally reactive process on both sides.

In a socialist society, production no longer divides society. Production is no longer intended for exchange but for consumption. Restoring the unity between production and consumption renders the law of demand and supply redundant and it is replaced by the law of planning. Planning, unlike the law of demand and supply, is proactive not reactive. Society consciously decides in advance what is to be produced, where it is to be produced, under what conditions and in what quantities.

This planning is called consumer led planning. It is the aggregation of millions of decisions by millions of individual workers. Workers will know what their labour income is and what products cost to produce. This allows them to quantify their decisions, so much of this and so much of that. These

decisions are then conveyed to the planning bodies and added to the billions of other decisions being made or already made. Their aggregation then comprises the plan and production is organised as expeditiously and efficiently as is technically possible to fulfil it. Here the internet and algorithms will prove indispensable.

It is consumer led planning that will ensure the success of a socialist society. The USSR did not prove the impossibility of planning. Rather it proved that when a plan is imposed on society from above, and society punished for its lack of fulfilment, that plan will end up disorganising society and it will fail. Consumer led planning is the opposite. It emerges from below, involves every member of society, is invigorating and dynamic, and rewards every producer for their contribution to production. It will be the umbilical cord tying each and every-one to society as equal participants.

The final point to be made relates to workers control of production and how this relates to the plan. While planning does not emanate from within production, what does is the regulation of labour time. Workers' control of production, by universal agreement, sets both the intensity and capacity for work. It therefore ensures that the expenditure of labour is uniform throughout the range of skills. (Note 1) Without this uniformity, there can be no accurate costing of products in terms of universal labour time.

What the planning bodies do not do is set the parameters for intensity of labour within production. This would subvert workers' control of production. It would lead to the same lying games that took place in the USSR where enterprises understated their capacities in order to mitigate the overzealous demands from the planning bodies. Instead workers control of production, by agreement between producers, sets the intensity of work which allows the accurate costing of products at all stages of their manufacture.

Workers control of production creates uniformity in the expenditure of labour. It prevents resentment, where one worker works harder than another, which means they get back less labour than they have contributed. This uniformity additionally ensures that the planning bodies can accurately allocate the labour time of society to fulfil society's needs and wants. This then is the interaction between consumer led planning and workers' control.

Note 1. We have temporarily set aside the point that workers with higher skills contribute more to production and therefore will receive back more from society. This equal right has been dealt with in a number of articles on this site. Suffice to say that universal labour time is the weighted average of all the differing skills that make up the global expenditure of labour. Every skill will be represented as a co-efficient of this universal labour time and it will be this co-efficient multiplied by the hours of work at an agreed intensity that will determine the specific contribution each worker makes to production. The article to read on this website is entitled Socialist Reproduction and it deals with these co-efficients.

[SOCIALIST REPRODUCTION pdf.pdf](#)